A Half Plus a Half Equals…a Quarter???

Struggle with this month's title as you may, but it nicely captures what we experienced during the seemingly polar opposite halves of the year's first quarter. It didn't take too long to make the stack of reading materials from last month appear seemingly obsolete (for the record, we actually find them as important as ever as we navigate these rougher waters). Just as market participants were starting to get their hands around a new regime of risk appetite, the market did what it does best—turn on a dime. Some might also argue we actually saw what central bankers do best, or simply, what they do these days. With Federal Reserve Chair Yellen's "considerable scope" speech ushering in April, we have now had each of the world's leading central bankers press further with monetary easing during the first quarter of 2016. We will leave the detailed discussion of each bank's agenda and policy to the macro authors, and instead focus our attention on two key elements for the event space:

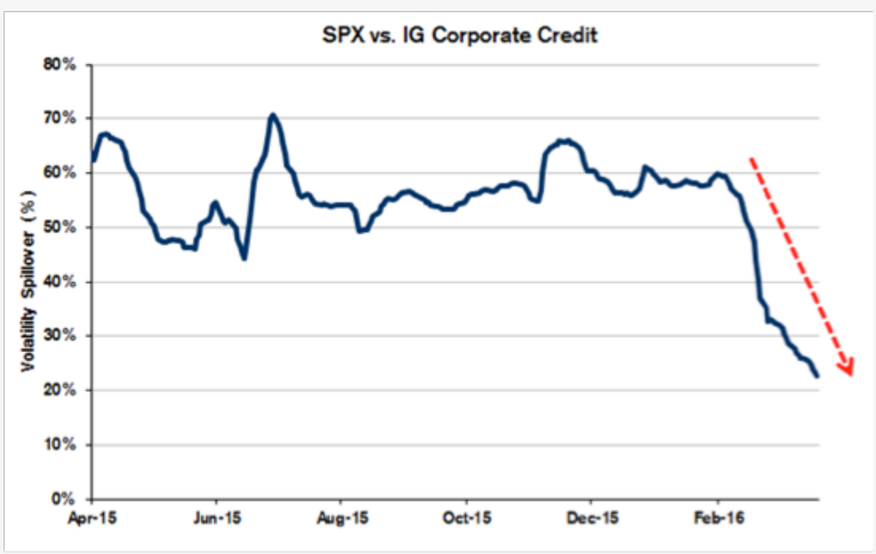
» What implications do the first quarter's events have for event-driven investing?

» What steps have been taken within the Driehaus Event Driven Fund to manage its assets in this volatile environment?

As we alluded to in last month's letter, our views have stayed far less extreme than the market's dire and exuberant outlooks, which cleanly split the first quarter in half. As such, the muddle through scenario for global growth and uninspiring valuation levels have led us to maintain a balanced portfolio.

Financial markets are finally starting to transition from several months of heightened levels of cross-asset correlations—a signal that bodes well for idiosyncratic situations. As seen in Exhibit 1, the high correlation regime has been quite pronounced between investment grade credit and large cap equities, two sentiment bellwethers. Toward the end of the first quarter, the spillover effect between the two asset classes subsided materially, as inter-asset correlations broke down.

EXHIBIT 1:
Cross-asset correlation between investment grade credit and the S&P 500



Source: Credit Suisse

Additionally, equities with sustainable or growing cash flows are once again starting to be rewarded by investors. Even corporate spin-offs, mired in a multi-quarter performance slump, have started to show signs of life (Exhibit 2).

Finally, also notable is that many situations reliant on equity financing, such as M&A and product development, have begun to either show a bottoming process or are gaining traction. This is of particular importance in the health care and biotech space. While the fund's net exposure to this area has been greatly reduced, we are monitoring closely for signs of a shift given the sector's role in market difficulties since the summer of 2015.

EXHIBIT 2: Bloomberg Spin-Off Index advancing toward levels not seen since its August 2015 selloff—up 20% from YTD low

Source: Bloomberg

Portfolio Construction Themes

Within this backdrop, the portfolio construction process is emphasizing three themes:

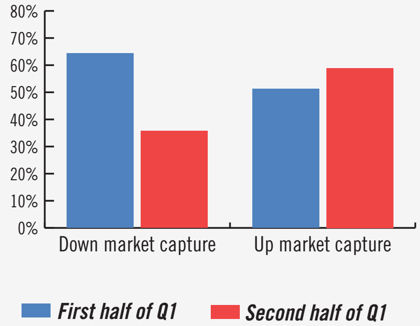
- » Concentrate trades within the highest conviction ideas;
- » Allocate capital to risk arb trades and to fixed income securities; and
- » Capitalize on cross-asset differentials, particularly as correlations continue to retreat from peak levels.

With that in mind, we thought it would be insightful to highlight the effect that some of these portfolio construction decisions had during the first quarter. Particularly noteworthy has been the shift to move exposure from catalyst-driven equities to lower beta investments that should provide additional downside protection. Throughout the quarter, the fund's beta-adjusted weight has declined from the mid-50% to 43%, while the net weight has declined from the mid-70% to the mid-60%, which is more in line with our historical average. We steadily reduced exposures throughout the course of March as the market added another turn of valuation to the S&P 500, now nearly two full turns of expansion from the February lows.

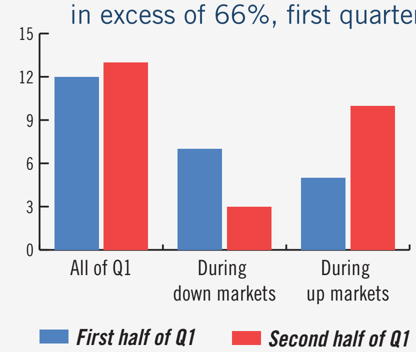
The steps taken to mold the portfolio's risk composition are reflected in the fund's downside capture during the quarter. (Downside capture is the percent of the market move experienced by the portfolio during a down market, and the lower the number the better.) Since the S&P 500 Index's low for the quarter on February 11, the fund was able to reduce its down capture on days when the index posted negative returns, while increasing its up capture on positive days (Exhibit 3). The median down capture fell from 64.43% to 35.75%. Perhaps more significantly, we are encouraged by the near two-thirds up capture during the market rally over the second half of the quarter (a 10.5% gain by the index) as the fund steadily reduced risk in a disciplined manner, given the implied level of equity valuations amid the backdrop of current economic data and fundamentals.

EXHIBIT 3: Daily market capture of the Driehaus Event Driven Fund, first half of quarter vs. second half

DEVDX total market capture (median)



Number of days with market capture in excess of 66%, first quarter



Source: Driehaus Capital Management

New Trade

The fund initiated a long position in a preferred security of a diversified financial services company during March. Preferred securities of many of the large banks have long been an area of opportunity within the financial markets, as investors have utilized the structures as a vehicle to deploy capital and establish solid carry. During periods of financial stress similar to the start of the year, investors use financial preferreds as liquidity levers. This causes the securities to derate, repricing the risk associated with them.

Importantly, many of these securities will lose their status as tier 1 and 2 capital due to Basel III requirements. As a result, over the next year they will lose their status in the capital structure, and subsequently their balance sheet benefits.

The new holding in the fund is a REIT preferred security, of which the financial services company has only two tranches. Ahead of the deadline for the new capital treatment regulations, we believe the securities will be called away. Depending on the date the structures are called, the yield-to-call (YTC) for the securities will equal a mid-teens rate of return.

On the outside chance the financial services company requests an extension for the deadline of the capital requirements, a move the company has indicated would not be a priority, the rate of return provided is still in the range of high single digits. While our base case is for the securities to be called prior to the spring 2017 deadline, we are comforted by the valuation buffer supported by the company's credit metrics. For context, the company's five-year credit default swap is trading at 65 basis points at the time of this writing. Given the evolving regulatory landscape and treatment for tier 1 and 2 capital, we believe the securities will be called within the next 12 months, providing an attractive return.

Until next month,

K.C., Michael, Yoav & Matthew

K.C. Nelson
Portfolio Manager

Michael Caldwell
Assistant Portfolio Manager

Yoav Sharon
Assistant Portfolio Manager

Matthew Schoenfeld
Assistant Portfolio Manager

DEVDX Performance Review

For March, the Driehaus Event Driven Fund returned 4.37% with 62% of the volatility of the S&P 500 Index, which returned 6.78%.[1] The equity catalyst-driven trade type (+3.99%) was the most significant contributor to returns for the month, followed by the risk arbitrage trade type (+0.37%). The only detractor for the month came from portfolio hedges (-0.17%) as the market rallied strongly during the month.

The largest contributors for the month included a gaming operator and a REIT operator currently undergoing a merger agreement, which we wrote about in our January commentary (+115 bps and +108 bps, respectively). The third largest contributor was an equity catalyst-driven name in the media space, also currently going through an M&A transaction it expects to close by mid-year (+63 bps). The top three detractors for the month included an oil and gas equity short that appreciated as oil rallied (-39 bps), a biotech hedge used to protect longs and reduce the fund's net exposure (-34 bps), and a risk arb spread that was hurt by the US Treasury department's new guidelines on tax inversion deals (-30 bps).

PERFORMANCE

MONTH-END – 3/31/16

	MTD	YTD	1 Year	Since Inception[2]
Driehaus Event Driven Fund	4.37%	-3.05%	-8.17%	-0.35%
S&P 500 Index[3]	6.78%	1.35%	1.78%	10.88%
Citigroup 3-Month T-Bill Index[4]	0.02%	0.05%	0.08%	0.05%

CALENDAR QUARTER-END – 3/31/16

	QTR	YTD	1 Year	Since Inception[2]
Driehaus Event Driven Fund	-3.05%	-3.05%	-8.17%	-0.35%
S&P 500 Index[3]	1.35%	1.35%	1.78%	10.88%
Citigroup 3-Month T-Bill Index[4]	0.05%	0.05%	0.08%	0.05%

ANNUAL FUND OPERATING EXPENSES[5]

Management Fee 1.00%
Other Expenses Excluding Dividends & Interest on Short Sales 0.35%
Dividends and Interest on Short Sales 0.45%
Total Annual Fund Operating Expenses 1.80%

[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. 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 (877) 779-0079 or visit www.driehaus.com for more current performance information.**

[2]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [3]The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. [4]The Citigroup 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The Citigroup 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. [5]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2015. 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.

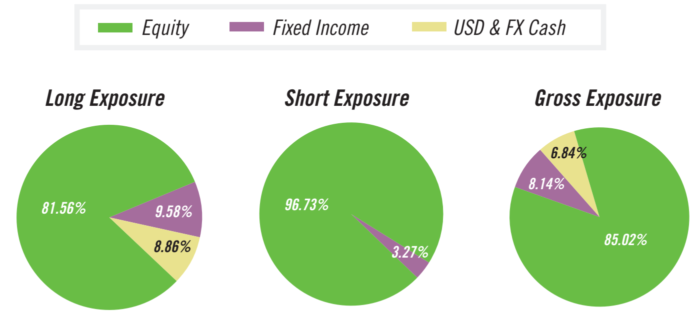
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the 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. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. 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. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

DEVDX Portfolio Characteristics*

Executive Summary

		excluding cash
Assets Under Management (AUM)	$229,670,116	
Long Exposure	$237,306,528	$216,276,084
Short Exposure	$(70,115,504)	$(70,115,504)
Net Exposure	$167,191,024	$146,160,579
Net Exposure/AUM	72.80%	63.64%
Gross Exposure	$307,422,033	$286,391,588
Gross Exposure/AUM	1.34x	1.25x

Exposure Breakdown by Asset Class



Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond catalyst-driven	27,169,659	8.8%	0.14%
Equity catalyst-driven	100,896,278	32.8%	3.99%
Portfolio hedges	8,678,459	2.8%	-0.17%
Risk arbitrage	144,410,822	47.0%	0.37%
Deep value	5,236,370	1.7%	0.04%
USD Cash	21,030,445	6.8%	0.00%
Total	**307,422,033**	**100.0%**	**4.37%**

Portfolio Summary

Portfolio Volatility (100 day, based on historical daily returns)	12.10%
S&P 500 Index Volatility (100 day, based on historical daily returns)	17.52%
Beta vs. S&P 500 Index[1] (since inception)	0.45
Beta vs. Barclays Agg[2] (since inception)	(0.51)
Beta vs. Merrill Lynch High Yield Index[3] (since inception)	0.89
DEVDX and S&P 500 Index Correlation (since inception)	0.73
DEVDX and Barclays Agg Correlation (since inception)	(0.20)
DEVDX and Merrill Lynch High Yield Index Correlation (since inception)	0.44

Characteristics

FIXED INCOME	
Effective Duration/100 bps	0.11%
Effective Spread Duration/100 bps	-0.79%
Long Exposure Mark-to-market Value/Par Value (ex IR hedge)	88.64%
Short Exposure Mark-to-market Value/Par Value (ex IR hedge)	0.00%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	$6.44
Weighted Harmonic Average P/E using FY1 Estimation	24.6

Source: Bloomberg

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value.

For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices, exposure represents bond-equivalent exposure.

[1] The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value.

[2] The Barclays Capital U.S. Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

[3] The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below-investment-grade, U.S.-dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Note: *A definition of key terms can be found on page 10*

Product Type

	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure	% of Gross Exposure Change vs. Previous Month End
USD and FX Cash	**21,030,445**	**8.9%**	0	**0.0%**	**21,030,445**	**6.8%**	**0.6%**
USD Cash*	21,030,445	8.9%	0	0.0%	21,030,445	6.8%	0.6%
FX Cash**	0	0.0%	0	0.0%	0	0.0%	0.0%
Credit Products	**22,738,140**	**9.6%**	**0**	**0.0%**	**22,738,140**	**7.4%**	**-0.8%**
Bank Loan	0	0.0%	0	0.0%	0	0.0%	0.0%
CDS Index	0	0.0%	0	0.0%	0	0.0%	0.0%
Convertible	0	0.0%	0	0.0%	0	0.0%	-0.8%
Corp CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
Corp Credit	13,868,307	5.8%	0	0.0%	13,868,307	4.5%	-0.2%
Pfd	8,869,833	3.7%	0	0.0%	8,869,833	2.9%	0.2%
Sovereign CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
Rates Products	**0**	**0.0%**	**(2,291,120)**	**3.3%**	**2,291,120**	**0.7%**	**-1.3%**
Govt Bond	0	0.0%	(2,291,120)	3.3%	2,291,120	0.7%	-1.3%
Treasury Future	0	0.0%	0	0.0%	0	0.0%	0.0%
IR Swaption	0	0.0%	0	0.0%	0	0.0%	0.0%
Equity Products	**193,537,944**	**81.6%**	**(61,836,173)**	**88.2%**	**255,374,117**	**83.1%**	**4.5%**
Equity	190,701,522	80.4%	(53,157,715)	75.8%	243,859,237	79.3%	10.6%
Equity Index Option	0	0.0%	0	0.0%	0	0.0%	-5.1%
Equity Index Swap	0	0.0%	(8,678,459)	12.4%	8,678,459	2.8%	0.4%
Equity Option	2,836,421	1.2%	0	0.0%	2,836,421	0.9%	0.9%
ETF	0	0.0%	0	0.0%	0	0.0%	-2.3%
Foreign Exchange Products	**0**	**0.0%**	**(5,988,211)**	**8.5%**	**5,988,211**	**1.9%**	**-3.1%**
FX Forward	0	0.0%	(5,988,211)	8.5%	5,988,211	1.9%	-3.1%
FX Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**237,306,528**	**100.0%**	**(70,115,504)**	**100.0%**	**307,422,033**	**100.0%**	

Source: Bloomberg

***Note:** A definition of key terms can be found on page 10*

*This figure represents the fund's operating cash plus receivables for investments sold and minus payables for investments purchased.

**FX cash is cash denominated in foreign currency and generally is a residual position from recently sold securities that has not yet been assigned to another trade or the cash equivalent bucket. In some instances, this may represent a trade in the fund.

Exposure by Country of Risk

Country Of Risk	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Canada	0	0.0%	(3,361,149)	4.8%	3,361,149	1.1%
Europe	0	0.0%	(5,988,211)	8.5%	5,988,211	1.9%
Ireland	0	0.0%	(2,674,936)	3.8%	2,674,936	0.9%
Israel	8,869,833	3.7%	(2,140,400)	3.1%	11,010,233	3.6%
Netherlands	9,064,390	3.8%	0	0.0%	9,064,390	2.9%
United States	219,372,306	92.4%	(55,950,808)	79.8%	275,323,114	89.6%
Total	**237,306,528**	**100.0%**	**(70,115,504)**	**100.0%**	**307,422,033**	**100.0%**

Sector

GICS[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Consumer Discretionary	90,310,724	38.1%	(16,971,529)	24.2%	107,282,253	34.9%
Consumer Staples	14,973,438	6.3%	0	0.0%	14,973,438	4.9%
Energy	190,222	0.1%	(8,196,100)	11.7%	8,386,323	2.7%
Financials	54,015,624	22.8%	(8,091,341)	11.5%	62,106,966	20.2%
Health Care	38,988,124	16.4%	(16,537,596)	23.6%	55,525,720	18.1%
Industrials	4,662,380	2.0%	0	0.0%	4,662,380	1.5%
Information Technology	0	0.0%	0	0.0%	0	0.0%
Materials	0	0.0%	0	0.0%	0	0.0%
Telecommunication Services	0	0.0%	0	0.0%	0	0.0%
Utilities	13,135,571	5.5%	(3,361,149)	4.8%	16,496,719	5.4%
GICS Total	**216,276,084**	**91.1%**	**(53,157,715)**	**75.8%**	**269,433,798**	**87.6%**
Other[2]						
Equity Index	0	0.0%	(8,678,459)	12.4%	8,678,459	2.8%
ETF	0	0.0%	0	0.0%	0	0.0%
FX Currency	0	0.0%	(5,988,211)	8.5%	5,988,211	1.9%
US Government	0	0.0%	(2,291,120)	3.3%	2,291,120	0.7%
USD Currency	21,030,445	8.9%	0	0.0%	21,030,445	6.8%
Other Total	**21,030,445**	**8.9%**	**(16,957,790)**	**24.2%**	**37,988,235**	**12.4%**

Source: Bloomberg, Moody's, Standard & Poor's

[1] The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

[2] The Other Industry Group data is not categorized within the GICS classification system.

***Note:** A definition of key terms can be found on page 10*

Industry Group

GICS[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Automobiles & Components	0	0.0%	0	0.0%	0	0.0%
Banks	15,989,171	6.7%	(8,091,341)	11.5%	24,080,512	7.8%
Commercial & Professional Serv	4,662,380	2.0%	0	0.0%	4,662,380	1.5%
Consumer Services	21,556,312	9.1%	0	0.0%	21,556,312	7.0%
Diversified Financials	5,043,676	2.1%	0	0.0%	5,043,676	1.6%
Energy	190,222	0.1%	(8,196,100)	11.7%	8,386,323	2.7%
Food & Staples Retailing	7,604,928	3.2%	0	0.0%	7,604,928	2.5%
Food Beverage & Tobacco	7,368,510	3.1%	0	0.0%	7,368,510	2.4%
Health Care Equipment & Services	9,056,850	3.8%	(4,688,688)	6.7%	13,745,538	4.5%
Insurance	14,832,737	6.3%	0	0.0%	14,832,737	4.8%
Media	68,754,412	29.0%	(16,971,529)	24.2%	85,725,941	27.9%
Pharmaceuticals, Biotechnology	29,931,274	12.6%	(11,848,908)	16.9%	41,780,182	13.6%
Real Estate	18,150,040	7.6%	0	0.0%	18,150,040	5.9%
Utilities	13,135,571	5.5%	(3,361,149)	4.8%	16,496,719	5.4%
GICS Group Total	**216,276,084**	**91.1%**	**(53,157,715)**	**75.8%**	**269,433,798**	**87.6%**
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ETF	0	0.0%	0	0.0%	0	0.0%
FX Currency	0	0.0%	(5,988,211)	8.5%	5,988,211	1.9%
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Derivatives Characteristics

Derivatives Premium (% of AUM) (Excluding Fixed-Income Derivatives)	-3.77%
Equity Delta (% of AUM) per 1% underlying move	0.65%
Equity Gamma (% of AUM) per 1% underlying move	0.00%
Vega (% of AUM) per 1 point vol move	0.00%
Theta (% of AUM) per 1 day change	0.00%
Currency Delta (% of AUM) per 1% underlying move	0.00%

Contributors (by Trade Type)

TOP 5	
Equity Catalyst-Driven	1.1%
Equity Catalyst-Driven	1.1%
Equity Catalyst-Driven	0.7%
Equity Catalyst-Driven	0.5%
Equity Catalyst-Driven	0.5%
Total	**2.8%**

BOTTOM 5	
Portfolio Hedge	-0.5%
Equity Catalyst Driven	-0.4%
Risk Arbitrage	-0.3%
Equity Catalyst Driven	-0.2%
Risk Arbitrage	-0.1%
Total	**-1.0%**

Source: Bloomberg, Moody's, Standard & Poor's

[1] The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

[2] The Other Industry Group data is not categorized within the GICS classification system.

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Quarterly Event Type

% Contrib. to Total Return

	Jan	Feb	Mar	1st QTR
Bond catalyst-driven	-0.41%	-0.15%	0.14%	-0.42%
Equity catalyst-driven	-4.75%	-2.72%	3.99%	-3.65%
Portfolio hedges	1.59%	-0.22%	-0.17%	1.19%
Risk arbitrage	-0.88%	0.40%	0.37%	-0.12%
Deep value	-0.01%	-0.07%	0.04%	-0.04%
USD Cash	0.00%	0.00%	0.00%	0.00%
Total	**-4.47%**	**-2.76%**	**4.37%**	**-3.05%**

Notes

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the 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. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. 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. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

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 (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on April 15, 2016 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. 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.

Driehaus Securities LLC, Distributor

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FUND INFORMATION

Types of events in which the fund frequently invests include:

Earnings: A trade involving an upside or downside surprise to earnings versus market expectations.

Product cycle: A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

Restructuring: A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

Corporate action: Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

Market dislocation: Any mispricing of a security for a non-fundamental reason.

Portfolio hedges: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Types of trades in which the fund frequently invests include:

Equity catalyst-driven: Event-driven trades that are expressed predominately through equity positions.

Bond catalyst-driven: Event-driven trades that are expressed predominately through bond positions.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

Deep value: rade that attempts to capture the mispricing of an extremely undervalued security.

Portfolio hedges: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

DEFINITIONS OF KEY TERMS

Agency Mortgage-Backed Security - A mortgage-backed security issued and guaranteed by a government agency such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association.

Asset-Backed Security (ABS) - A security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets.

Average % of Par-Longs - The average dollar price of a bond the Fund is long as a percentage of par.

Average % of Par-Shorts - The average dollar price of a bond the Fund is short as a percentage of par.

Beta - A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

Credit Default Swap (CDS) - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

Delta - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

Derivatives Premium – Value of a derivatives contract.

Effective Duration - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Equity Gamma - The ratio that compares the rate of change for the delta with respect to the underlying asset's price.

Effective Spread Duration - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

Mortgage-Backed Security (MBS) - An asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property.

Portfolio Coupon - The annualized interest earned for the portfolio.

Portfolio Current Yield - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

Portfolio Yield-to-Worst - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Sharpe Ratio is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Stock Vega - The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

Swap - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Theta - A measure of the rate of decline in the value of an option due to the passage of time. Theta can also be referred to as the time decay on the value of an option.