You Can NOT Be Serious!

An action packed July has come and gone, and while this month's title could be a reference to Roger Federer's historic run to an eighth Wimbledon title ("the good"), or the current political situation ("the ugly"), it is in fact a nod to recently observed management teams' behavior (we'll call that "the bad"). During the past month, we witnessed an alarmingly high amount of inexcusable actions from C Suite members, exhibiting lack of rationale and weak (at best) understanding of financial markets. A few of the most glaring and jaw-dropping examples include:

- Renegotiating a buyout into a merger-of-equals at lower prices than current trading levels and previously standing superior bids, while dismissing the break fee and premium discarded for shareholders
- A telegraphed $700 million share buyback showing no regard for valuation, announced concurrently with poor earnings results, and executed in a sloppy fashion
- An earnings pre-release one week prior to schedule, providing no clarity to investors on a "go forward" plan regarding operations and investment initiatives, and contradicting management's recent claims on the importance of appropriately messaging their story to shareholders
- A bungled earnings call in which management claimed to "backfill" revenue related to a personnel exodus without being able to provide reasons why or conveying an understanding of the potential severity and risk associated with the situation

Needless to say, this earnings season has kept us busy, with mere head scratching and general bafflement, if for nothing else. These examples got us thinking: "what's behind the odd and uninspiring behavior of corporations?" In recent

Source: Imgur

letters we've written about and acknowledged the healthy state of valuations across asset classes. Perhaps when top-line challenged consumer staples companies garner 20X+ earnings multiples and seemingly any CFO can get their debt refinanced at lower rates with little in the way of investor protections, companies feel emboldened to act carelessly while holding themselves to lax standards.

The impressive equity market performance has no doubt been a boon to management teams' bravado, but it is still a bit surprising to see such blatantly irresponsible behavior during this era of activism. As investors increasingly hold CEOs and boards accountable for their actions, one would expect corporations to have their finger firmly on the pulse of how their words and actions impact their standing in the financial markets. It is possible that July was merely coincidental, although we cannot dismiss the notion that many leaders have not gotten the memo loud and clear. Either way, it was alarming to us and serves as an important data point during this extended bull market.

And how did the referenced companies' equities respond to the questionable behavior displayed by their leadership, might you ask? We'll let you try and figure out which is which, but in short: not well. Each of the contestants found a rude awakening behind the doors they opened.

- Contestant #1: Equity was down over 20% in half a month's time
- Contestant #2: Equity was down double digits in one day, and nearly 15% on the week
- Contestant #3: Equity gapped down 25% before continuing to march lower
- Contestant #4: Equity sold off 5%+, settling in down 10% from alternative bids

As a result, we are in the process of, or have exited, all of the aforementioned positions. We intentionally make an effort to avoid subpar management teams in our investment process. In these instances, management had not displayed such jaw-dropping buffoonery in the past, so we were caught off guard. We are disappointed in the lackluster performance over the past 60 days. Looking forward though, the biggest losers that have hindered us this year are no longer with us. We have plenty of compelling trades for the back half of the year.

New Trade

This month the fund continued the recent trend of sourcing balanced trade structures as market valuations continue their march into lofty territory. The fund invested in a beauty and personal care products company via a capital structure arbitrage (Cap Arb) seeking to benefit from any volatility introduced ahead of upcoming earnings and financial performance.

The company is in the midst of integrating a previous acquisition, combining legacy cosmetic and hair products with new fragrance and skin care end markets. The industry continues to face competitive pressures on pricing, traffic, and consumer shift as the Ecommerce swell surges. We believe the company is ill prepared for the changes ahead, and in fact note that it has been too slow to adopt to the new landscape. As an example, the company did not execute online transactions on their own website until this year. As promotional inventory management continues margins will face an uphill battle, and channel pressures may cause the company to reassess the synergies targets laid out in the deal. Ultimately, we think the company's capital structure will rerate as mounting challenges continue. As such, we have set up a long volatility ratio trade between senior and junior tranches. With limited negative carry to the trade we can be patient as fundamentals deteriorate over the next few quarters, and in the event the market wakes up to the more somber prospects facing the company as headwinds begin to deteriorate at an accelerating pace, we will be appropriately positioned to capitalize on the widening of the relationship within the capital structure.

Until next month, all the best,

K.C., Michael, Yoav & Tom

K.C. Nelson
Portfolio Manager

Michael Caldwell
Assistant Portfolio Manager

Yoav Sharon
Assistant Portfolio Manager

Tom McCauley
Assistant Portfolio Manager

DEVDX Performance Review

For July, the Driehaus Event Driven Fund returned -2.13% and the S&P 500 Index gained 2.06%.[1] The bond catalyst driven trade type (+0.14%) was the most significant contributor to returns for the period. The equity catalyst driven trade type was the biggest detractor (-1.77%).

The two largest contributors for the month were a biotech company with upcoming data later in the year (+17bps) and a tech company waiting to settle IP litigation (+16bps). The third top contributor was an aerospace and defense contractor that recently completed an acquisition (+16bps).

The top three detractors for the month included a title insurance company that reported disappointing earnings (-75 bps), a medical diagnostics company waiting for insurer approvals (-42bps), and a movie theater operator integrating recent acquisitions (-35bps).

PERFORMANCE

MONTH-END – 7/31/17

	MTH	YTD	1 Year	3 Year	Since Inception[2]
Driehaus Event Driven Fund	-2.13%	2.42%	8.16%	0.36%	2.74%
S&P 500 Index[3]	2.06%	11.59%	16.04%	10.87%	12.91%
Citigroup 3-Month T-Bill Index[4]	0.08%	0.38%	0.51%	0.23%	0.19%

CALENDAR QUARTER-END – 6/30/17

	QTR	YTD	1 Year	3 Year	Since Inception[2]
Driehaus Event Driven Fund	3.54%	4.64%	11.97%	0.00%	3.38%
S&P 500 Index[3]	3.09%	9.34%	17.90%	9.61%	12.62%
Citigroup 3-Month T-Bill Index[4]	0.18%	0.30%	0.46%	0.20%	0.17%

ANNUAL FUND OPERATING EXPENSES[5]

Management Fee 1.00%
Other Expenses Excluding Dividends & Interest on Short Sales 0.44%
Dividends and Interest on Short Sales 0.59%
Total Annual Fund Operating Expenses 2.03%

[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, 2017. 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.

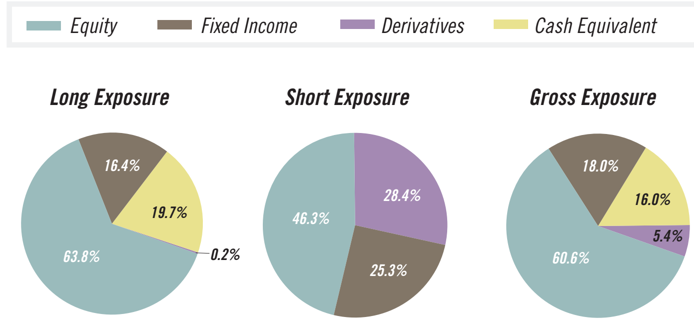
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than 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)	$164,431,760	
Long Exposure	$158,533,944	$127,379,909
Short Exposure	$(35,753,653)	$(35,753,653)
Net Exposure	$122,780,291	$91,626,256
Net Exposure/AUM	74.67%	55.72%
Gross Exposure	$194,287,597	$163,133,563
Gross Exposure/AUM	1.18x	0.99x

Exposure Breakdown by Asset Class



Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond catalyst-driven	35,004,154	18.0%	0.14%
Equity catalyst-driven	103,779,739	53.4%	-1.77%
Portfolio hedges	15,912,206	8.2%	-0.09%
Risk arbitrage	8,437,463	4.3%	-0.25%
Deep value	0	0.0%	0.00%
Cash**	31,154,035	16.0%	0.00%
Expenses***			-0.11%
Total	**194,287,597**	**100.0%**	**-2.09%**

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

Portfolio Summary

Portfolio Volatility (100 day, based on historical daily returns)	7.53%
S&P 500 Index Volatility (100 day, based on historical daily returns)	7.04%
Beta vs. S&P 500 Index[1] (since inception)	0.44
Beta vs. Bloomberg Barclays Agg[2] (since inception)	0.80
Beta vs. Merrill Lynch High Yield Index[3] (since inception)	(0.48)
DEVDX and S&P 500 Index Correlation (since inception)	0.69
DEVDX and Bloomberg Barclays Agg Correlation (since inception)	0.41
DEVDX and Merrill Lynch High Yield Index Correlation (since inception)	(0.19)

Characteristics

FIXED INCOME	
Effective Duration/100 bps	-0.38%
Effective Spread Duration/100 bps	-0.65%
Long Exposure Mark-to-market Value/Par Value (ex IR hedge)	95.51%
Short Exposure Mark-to-market Value/Par Value (ex IR hedge)	96.95%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	$7.8
Weighted Harmonic Average P/E using FY1 Estimation	$17.1

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.
**This figure represents the fund's operating cash plus receivables for investments sold and minus payables for investments purchased, and includes USD and FX cash.
***Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month.
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 Bloomberg Barclays Capital US Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the US 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, US-dollar-denominated corporate bonds publicly issued in the US domestic market.
***Note:** A definition of key terms can be found on page 8*

Product Type

	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Bank Loan	4,598,186	2.9%	0	0.0%	4,598,186	2.4%
Convertible Bond	0	0.0%	0	0.0%	0	0.0%
Convertible Preferred	0	0.0%	0	0.0%	0	0.0%
Corporate	21,357,660	13.5%	(9,048,308)	25.3%	30,405,968	15.6%
Preferred	0	0.0%	0	0.0%	0	0.0%
Sovereign	0	0.0%	0	0.0%	0	0.0%
Fixed Income	**25,955,846**	**16.4%**	**(9,048,308)**	**25.3%**	**35,004,154**	**18.0%**
ADR/GDR	0	0.0%	0	0.0%	0	0.0%
Equity Common	101,114,329	63.8%	(4,292,985)	12.0%	105,407,315	54.3%
Exchange Traded Fund	0	0.0%	(12,258,251)	34.3%	12,258,251	6.3%
Equity	**101,114,329**	**63.8%**	**(16,551,237)**	**46.3%**	**117,665,566**	**60.6%**
Credit Default Swap	0	0.0%	0	0.0%	0	0.0%
Currency Forward	309,734	0.2%	(1,013,113)	2.8%	1,322,847	0.7%
Index Future	0	0.0%	0	0.0%	0	0.0%
Index Options	0	0.0%	0	0.0%	0	0.0%
Interest Rate Future	0	0.0%	0	0.0%	0	0.0%
Residential Mortgage Backed	0	0.0%	0	0.0%	0	0.0%
Securitized / Covered	0	0.0%	0	0.0%	0	0.0%
Swaptions	0	0.0%	0	0.0%	0	0.0%
Total Return Swap	0	0.0%	(9,140,995)	25.6%	9,140,995	4.7%
Derivatives	**309,734**	**0.2%**	**(10,154,108)**	**28.4%**	**10,463,842**	**5.4%**
Cash	**31,154,035**	**19.7%**	**0**	**0.0%**	**31,154,035**	**16.0%**
Total	**158,533,944**	**100.0%**	**(35,753,653)**	**100.0%**	**194,287,597**	**100.0%**

Exposure by Country of Risk

Country Of Risk	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Developed	21,728,920	13.7%	(1,013,113)	2.8%	22,742,033	11.7%
United States	136,805,024	86.3%	(34,740,540)	97.2%	171,545,564	88.3%
Emerging	0	0.0%	0	0.0%	0	0.0%
Total	**158,533,944**	**100.0%**	**(35,753,653)**	**100.0%**	**194,287,597**	**100.0%**

Source: Bloomberg

Note: *A definition of key terms can be found on page 8*

Sector

GICS[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Consumer Discretionary	23,890,513	15.1%	(7,419,521)	20.8%	31,310,035	16.1%
Consumer Staples	0	0.0%	0	0.0%	0	0.0%
Energy	0	0.0%	0	0.0%	0	0.0%
Financials	50,847,663	32.1%	0	0.0%	50,847,663	26.2%
Health Care	15,749,085	9.9%	0	0.0%	15,749,085	8.1%
Industrials	15,404,842	9.7%	(5,240,652)	14.7%	20,645,494	10.6%
Information Technology	14,338,528	9.0%	(681,120)	1.9%	15,019,648	7.7%
Materials	0	0.0%	0	0.0%	0	0.0%
Real Estate	0	0.0%	0	0.0%	0	0.0%
Telecommunication Services	6,221,664	3.9%	0	0.0%	6,221,664	3.2%
Utilities	617,881	0.4%	0	0.0%	617,881	0.3%
Other[2]	31,463,769	19.8%	(22,412,360)	62.7%	53,876,129	27.7%
Total	**158,533,944**	**100.0%**	**(35,753,653)**	**100.0%**	**194,287,597**	**100.0%**

Contributors (by Trade Type)

TOP 5	
Equity Catalyst Driven	0.2%
Equity Catalyst Driven	0.2%
Equity Catalyst Driven	0.2%
Portfolio Hedge	0.1%
Equity Catalyst Driven	0.1%
Total	**0.7%**

BOTTOM 5	
Equity Catalyst Driven	-0.8%
Equity Catalyst Driven	-0.4%
Equity Catalyst Driven	-0.3%
Equity Catalyst Driven	-0.3%
Equity Catalyst Driven	-0.3%
Total	**-2.1%**

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 Sector data is not categorized within the GICS classification system

Notes

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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.

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Driehaus Securities LLC, Distributor

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: Trade 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.