

This Time Was Different

This past year was challenging for event-driven investors. For a quick review of the event space during 2015 and our thoughts on the year ahead, please download our recently released presentation “[This Time Was Different.](#)” Key points include:

- » Event-driven fund performance was disappointing in 2015 despite booming M&A, with the HFRX Event Driven Index (HFRXED) falling 6.9%.
- » Pain within event-driven strategies during 2015 driven by:
 - » Losses on concentrated bets on roll-up stories (companies that are built primarily through the acquisition of smaller companies), and the resulting squeeze on risk capital and forced selling.
 - » A mismatch between record-breaking announced deal volume and a relatively low volume of deal completions.
 - » The resulting draw of capital to more attractive spreads on M&A deals depressed other segments of the event space, such as most catalyst-driven event trades.
- » Factors that produced dramatic headwinds in 2015 will either subside or serve as tailwinds to event trades in 2016:
 - » M&A cycle turns from an absorber to a provider of liquidity.
 - » Fallout from roll-up stories will subside.
 - » Catalyst-driven equities will benefit from normalized supply-demand dynamic.
- » The reversal of these three factors should create a strong opportunity set for 2016.

Market Overview

During the latter half of 2015, the event space saw a shift in which companies were most rewarded, as well as which were most penalized. The change had the greatest effect on the most popular and crowded trades, resulting in depressed

returns for many funds within the event space. This is evident in the 2015 performance of the HFRX Event Driven Index, which is comprised of event-driven hedge funds (Exhibit 1).

EXHIBIT 1:
HFRX Event Driven Index 2015 performance (peak to trough highlighted in red)



Source: Bloomberg

Thematically, we are witnessing a bifurcation between companies that are delivering on their targeted goals (corporate actions, synergies, capital return to shareholders) and those that are facing mounting idiosyncratic or industry headwinds. Encouragingly, we continue to see separation between various parts of the capital structure.

The shift in market sentiment was first noticeable within the credit markets in the second half of 2015, and only evident in recent weeks within equity markets. Even today, various parts of credit markets are disseminating conflicting information on fundamentals. We are balancing exposures to navigate the current choppy waters as we seek superior risk-adjusted returns through an increasing use of equity options, capital structure arbitrage and risk arb trades, long/short positions and portfolio hedges.

New trade

In December, we initiated an equity position in a “roll-up” company that is taking on additional debt as it embarks on closing two deals in the cable space. Central to our investment thesis is that the company has already secured financing for these deals, the units taking on the debt are siloed from the parent, and the equity value of one of the parent company’s subsidiaries is worth more than the equity value of the entire company.

During the fourth quarter, and before the fund initiated its position, the company’s equity was severely beaten down as roll-up stories fell deep out of favor. To provide some context, the company lost \$14 billion in market cap, roughly five times the equity portion of the combined US deals they are seeking to consummate. Using conservative assumptions on a sum-of-the-parts calculation, the equity market cap was implying a 20% discount. Together, these attributes provide a healthy margin of safety for an investment ahead of deal closure and through integration and synergy achievements by the acquirer.

This past quarter, roll-up stories have become unloved by investors due to an increased focus on credit market concerns and regulatory risks. In many ways, the recent experience of

this equity exemplifies current concerns in the marketplace. In this instance, these worries appear to us to have grown too extreme. We believe the market is underestimating the company’s current value and its future prospects as it completes the upcoming acquisitions.

We remain cognizant of the risks this position carries and aware of the shifting landscape across financial markets over the last 90 days. Within the fund, we continue to monitor the behavior of this equity, as we do across all positions, but are keeping dry powder at the ready in case the market further discounts such attractive catalyst-driven stories.

Despite the market’s shaky start to the new year, we remain encouraged by the potential beginning of a virtuous cycle within the event space. We also are excited about several investment themes that are presenting themselves that we will address in future commentaries, including:

- » The separation of the haves and have nots;
- » Equity markets are beginning to speak to the credit markets; and
- » Others pain often affords opportunity.

Until next month,
K.C., Michael, Yoav & Matthew



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Portfolio Manager



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DEVDX Performance Review

During the final month of the year, the Driehaus Event Driven Fund rose 0.20% with 58% of the volatility of the S&P 500 Index, which returned -1.58%.¹ Key areas of contributions were the equity catalyst-driven trade type (+20 bps) and portfolio hedges (+17 bps). The largest detractor for the month was the risk arbitrage trade type (-13 bps).

Four equity catalyst-driven positions within the fund contributed between 25 and 33 basis points. Two of these positions were in the heavily active M&A sectors of health care and cable. An equity put option was the largest detractor for the month, losing 42 basis points as the underlying equity rallied.

PERFORMANCE

MONTH-END (%) – 12/31/15

	MTD	YTD	1 Year	Since Inception ²
Driehaus Event Driven Fund	0.20%	-1.08%	-1.08%	0.94%
S&P 500 Index ³	-1.58%	1.38%	1.38%	11.45%
Citigroup 3-Month T-Bill Index ⁴	0.01%	0.03%	0.03%	0.03%

CALENDAR QUARTER-END (%) – 12/31/15

	QTR	YTD	1 Year	Since Inception ²
Driehaus Event Driven Fund	0.31%	-1.08%	-1.08%	0.94%
S&P 500 Index ³	7.04%	1.38%	1.38%	11.45%
Citigroup 3-Month T-Bill Index ⁴	0.01%	0.03%	0.03%	0.03%

ANNUAL FUND OPERATING EXPENSES⁵

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%

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. 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.**

²The Driehaus Event Driven Fund has an inception date of August 26, 2013. ³The 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. ⁴The 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. ⁵Represents 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.

Disclosures

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 January 22, 2016 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since January 22, 2016 and may not reflect recent market activity.

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formation. 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.

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.

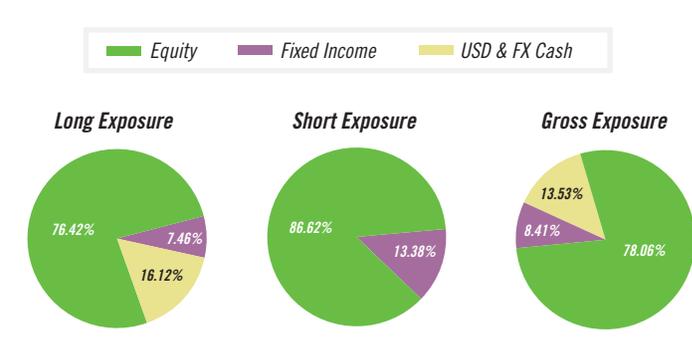
Driehaus Securities LLC, Distributor

DEVDX Portfolio Characteristics*

Executive Summary

	<i>excluding cash</i>	
Assets Under Management (AUM)	\$232,508,974	
Long Exposure	\$251,515,114	\$210,963,899
Short Exposure	\$(48,190,832)	\$(48,190,832)
Net Exposure	\$203,324,283	\$162,773,068
Net Exposure/AUM	87.45%	70.01%
Gross Exposure	\$299,705,946	\$259,154,731
Gross Exposure/AUM	1.29x	1.11x

Exposure Breakdown by Asset Class



Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond catalyst-driven	26,181,137	8.7%	0.01%
Equity catalyst-driven	150,291,645	50.2%	0.21%
Portfolio hedges	19,255,818	6.4%	0.17%
Risk arbitrage	58,119,059	19.4%	-0.15%
Deep value	5,307,072	1.8%	-0.01%
USD Cash	40,551,215	13.5%	-0.03%
Total	299,705,946	100.0%	0.20%

Portfolio Summary

Portfolio Volatility (100 day, based on historical daily returns)	9.68%
S&P 500 Index Volatility (100 day, based on historical daily returns)	19.84%
Beta vs. S&P 500 Index ¹ (since inception)	0.41
Beta vs. Barclays Agg ² (since inception)	(0.41)
Beta vs. Merrill Lynch High Yield Index ³ (since inception)	0.83
DEVDX and S&P 500 Index Correlation (since inception)	0.70
DEVDX and Barclays Agg Correlation (since inception)	(0.18)
DEVDX and Merrill Lynch High Yield Index Correlation (since inception)	0.38

Characteristics

FIXED INCOME	
Effective Duration/100 bps	0.37%
Effective Spread Duration/100 bps	-0.17%
Long Exposure Mark-to-market Value/Par Value (ex IR hedge)	106.76%
Short Exposure Mark-to-market Value/Par Value (ex IR hedge)	0.00%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	\$33.85
Weighted Harmonic Average P/E using FY1 Estimation	22.3

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.

¹The 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.

²The 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.

³The 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 9

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	40,551,215	16.1%	0	0.0%	40,551,215	13.5%	5.1%
USD Cash*	40,551,215	16.1%	0	0.0%	40,551,215	13.5%	5.1%
FX Cash**	0	0.0%	0	0.0%	0	0.0%	0.0%
Credit Products	18,755,693	7.5%	0	0.0%	18,755,693	6.3%	1.9%
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	1,183,993	0.5%	0	0.0%	1,183,993	0.4%	0.4%
Corp CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
Corp Credit	7,367,347	2.9%	0	0.0%	7,367,347	2.5%	-1.9%
Pfd	10,204,353	4.1%	0	0.0%	10,204,353	3.4%	3.4%
Sovereign CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
Rates Products	0	0.0%	(6,446,143)	13.4%	6,446,143	2.2%	-0.9%
Govt Bond	0	0.0%	(6,446,143)	13.4%	6,446,143	2.2%	-0.9%
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	192,208,206	76.4%	(37,396,385)	77.6%	229,604,590	76.6%	-7.5%
Equity	179,333,692	71.3%	(17,438,451)	36.2%	196,772,142	65.7%	-1.7%
Equity Index Swap	0	0.0%	(11,530,848)	23.9%	11,530,848	3.8%	3.7%
Equity Option	12,874,514	5.1%	(702,116)	1.5%	13,576,630	4.5%	-9.9%
ETF	0	0.0%	(7,724,970)	16.0%	7,724,970	2.6%	0.4%
Commodity Products	0	0.0%	0	0.0%	0	0.0%	0.0%
Commodity Future	0	0.0%	0	0.0%	0	0.0%	0.0%
Commodity Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Foreign Exchange Products	0	0.0%	(4,348,304)	9.0%	4,348,304	1.5%	1.5%
FX Forward	0	0.0%	(4,348,304)	9.0%	4,348,304	1.5%	1.5%
FX Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	251,515,114	100.0%	(48,190,832)	100.0%	299,705,946	100.0%	

Source: Bloomberg

Note: A definition of key terms can be found on page 9

*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
Brazil	2,264,346	0.9%	0	0.0%	2,264,346	0.8%
Israel	10,204,353	4.1%	(3,610,200)	7.5%	13,814,553	4.6%
Netherlands	5,661,553	2.3%	0	0.0%	5,661,553	1.9%
United Kingdom	1,183,993	0.5%	(979,300)	2.0%	2,163,293	0.7%
United States	232,200,869	92.3%	(43,601,332)	90.5%	275,802,200	92.0%
Total	251,515,114	100.0%	(48,190,832)	100.0%	299,705,946	100.0%

Sector

GICS ¹	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Consumer Discretionary	83,146,778	39.4%	(9,826,425)	54.2%	92,973,202	40.6%
Consumer Staples	24,107,492	11.4%	0	0.0%	24,107,492	10.5%
Energy	345,268	0.2%	0	0.0%	345,268	0.2%
Financials	2,264,346	1.1%	0	0.0%	2,264,346	1.0%
Health Care	47,933,470	22.7%	(6,130,092)	33.8%	54,063,561	23.6%
Industrials	23,658,578	11.2%	0	0.0%	23,658,578	10.3%
Information Technology	19,372,390	9.2%	(2,184,050)	12.0%	21,556,440	9.4%
Materials	0	0.0%	0	0.0%	0	0.0%
Telecommunication Services	5,280,047	2.5%	0	0.0%	5,280,047	2.3%
Utilities	4,855,530	2.3%	0	0.0%	4,855,530	2.1%
GICS Total	210,963,899	100.0%	(18,140,566)	100.0%	229,104,466	100.0%
Other²						
Equity Index	0	0.0%	(11,530,848)	38.4%	11,530,848	16.3%
ETF	0	0.0%	(7,724,970)	25.7%	7,724,970	10.9%
FX Currency	0	0.0%	(4,348,304)	14.5%	4,348,304	6.2%
US Government	0	0.0%	(6,446,143)	21.5%	6,446,143	9.1%
USD Currency	40,551,215	100.0%	0	0.0%	40,551,215	57.4%
Other Total	40,551,215	100.0%	(30,050,265)	100.0%	70,601,480	100.0%

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

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

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.

Note: A definition of key terms can be found on page 9

Industry Group

GICS ¹	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Automobiles & Components	1,183,993	0.6%	(979,300)	5.4%	2,163,293	0.9%
Commercial & Professional Services	14,515,980	6.9%	0	0.0%	14,515,980	6.3%
Consumer Durables & Apparel	8,625,120	4.1%	0	0.0%	8,625,120	3.8%
Consumer Services	19,921,191	9.4%	(516,779)	2.8%	20,437,971	8.9%
Diversified Financials	2,264,346	1.1%	0	0.0%	2,264,346	1.0%
Energy	345,268	0.2%	0	0.0%	345,268	0.2%
Food & Staples Retailing	4,610,861	2.2%	0	0.0%	4,610,861	2.0%
Food Beverage & Tobacco	19,496,631	9.2%	0	0.0%	19,496,631	8.5%
Health Care Equipment & Services	4,946,525	2.3%	(2,519,892)	13.9%	7,466,417	3.3%
Media	53,416,474	25.3%	(8,330,345)	45.9%	61,746,819	27.0%
Pharmaceuticals, Biotechnology	42,986,945	20.4%	(3,610,200)	19.9%	46,597,145	20.3%
Semiconductors & Semiconductor	3,814,250	1.8%	(2,184,050)	12.0%	5,998,300	2.6%
Software & Services	4,181,900	2.0%	0	0.0%	4,181,900	1.8%
Technology Hardware & Equipment	11,376,240	5.4%	0	0.0%	11,376,240	5.0%
Telecommunication Services	5,280,047	2.5%	0	0.0%	5,280,047	2.3%
Transportation	9,142,598	4.3%	0	0.0%	9,142,598	4.0%
Utilities	4,855,530	2.3%	0	0.0%	4,855,530	2.1%
GICS Group Total	210,963,899	100.0%	(18,140,566)	100.0%	229,104,466	100.0%
Other²						
Consumer Staples Select Sector Index	0	0.0%	(7,724,970)	25.7%	7,724,970	10.9%
Customized Equity Index	0	0.0%	(11,530,848)	38.4%	11,530,848	16.3%
EUR Currency	0	0.0%	(4,348,304)	14.5%	4,348,304	6.2%
US Government	0	0.0%	(6,446,143)	21.5%	6,446,143	9.1%
USD Currency	40,551,215	100.0%	0	0.0%	40,551,215	57.4%
Other Total	40,551,215	100.0%	(30,050,265)	100.0%	70,601,480	100.0%

Derivatives Characteristics

Derivatives Premium (% of AUM) (Excluding Fixed-Income Derivatives)	-4.29%
Equity Delta (% of AUM) per 1% underlying move	0.75%
Equity Gamma (% of AUM) per 1% underlying move	0.01%
Vega (% of AUM) per 1 point vol move	0.02%
Theta (% of AUM) per 1 day change	-0.02%
Currency Delta (% of AUM) per 1% underlying move	0.01%

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

¹The 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.

Contributors (by Trade Type)

TOP 5		BOTTOM 5	
Equity Catalyst Driven	0.33%	Equity Catalyst Driven	-0.42%
Equity Catalyst Driven	0.32%	Risk Arbitrage	-0.38%
Portfolio Hedge	0.29%	Equity Catalyst Driven	-0.28%
Equity Catalyst Driven	0.26%	Equity Catalyst Driven	-0.18%
Equity Catalyst Driven	0.25%	Equity Catalyst Driven	-0.17%
Total	1.12%	Total	-1.01%

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 9

QUARTERLY AND YEAR-TO-DATE EVENT TYPE (as of 12/31/15)**% Contrib. to Total Return**

	Oct	Nov	Dec	4th QTR	YTD
Bond catalyst-driven	0.30%	0.02%	0.01%	0.33%	0.13%
Equity catalyst-driven	2.88%	-1.64%	0.21%	1.42%	-2.00%
Portfolio hedges	-1.47%	-0.61%	0.17%	-1.90%	-1.69%
Risk arbitrage	0.14%	0.45%	-0.15%	0.45%	1.69%
Deep value	-0.01%	0.08%	-0.01%	0.06%	0.70%
USD Cash	-0.01%	-0.01%	-0.03%	-0.05%	0.00%
Total	1.83%	-1.70%	0.20%	0.31%	-1.08%

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 January 25, 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

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 predominantly through equity positions.

Bond catalyst-driven: Event-driven trades that are expressed predominantly 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.