Macro Dispersion Within Frontier Markets

KEY FEATURES

- Active, growth approach to an attractive inefficient investment universe
- Benchmark-aware not benchmark-constrained investment approach–high active share
- Bias toward domestically driven growth companies
- Holistic investment process that incorporates macro and bottom-up analysis
- Focus on risk management
- Portfolio management team with several years of investment experience in frontier markets

INCEPTION DATE
May 4, 2015

FUND ASSETS UNDER MANAGEMENT
$19.0 million

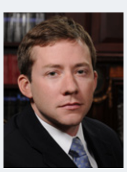
FIRM ASSETS UNDER MANAGEMENT
$8.4 billion

INVESTMENT UNIVERSE
Frontier markets all cap equity

INVESTMENT STYLE
Growth equity

PORTFOLIO MANAGERS

Chad Cleaver, CFA
Portfolio Manager
14 years experience



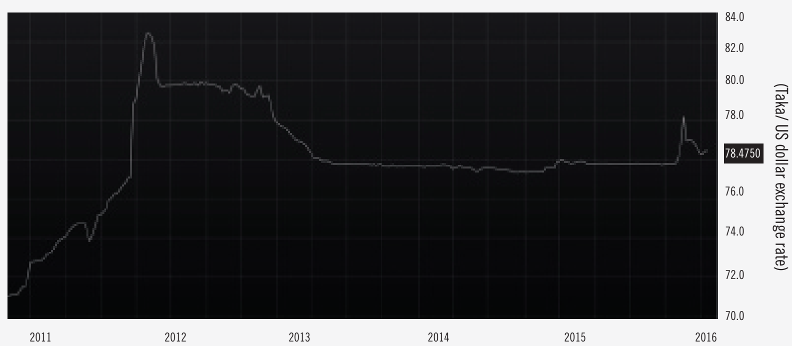
Richard Thies
Assistant Portfolio Manager
9 years of investment experience

@DriehausCapital

Over the past year and a half, a dominant theme within our portfolio has been the preference for commodity-importing countries over those that are principally reliant on commodity exports. This has led us to favor investments in countries such as Bangladesh, Vietnam, Sri Lanka and Pakistan, while maintaining substantial underweights in the Middle East and much of Sub-Saharan Africa.

This month we focus on currencies, another macro theme within frontier markets where we expect to see further dispersion over the course of 2016. On this front, Bangladesh again scores remarkably well as its stable currency has contributed to the country's strong macro backdrop, creating a favorable environment for stock selection (Exhibit 1). Moreover, with a weighting of only 2.5% in the MSCI Frontier Markets Index, we believe Bangladesh is substantially underrepresented, affording us the opportunity to add alpha through a significant overweight position to the country.

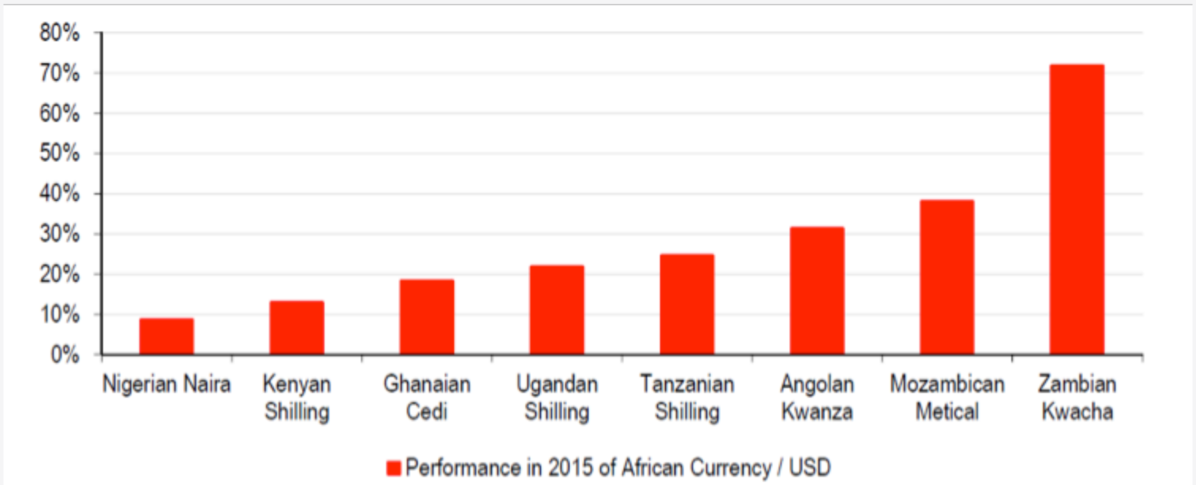
Exhibit 1: Bangladesh Taka



Source: Bloomberg

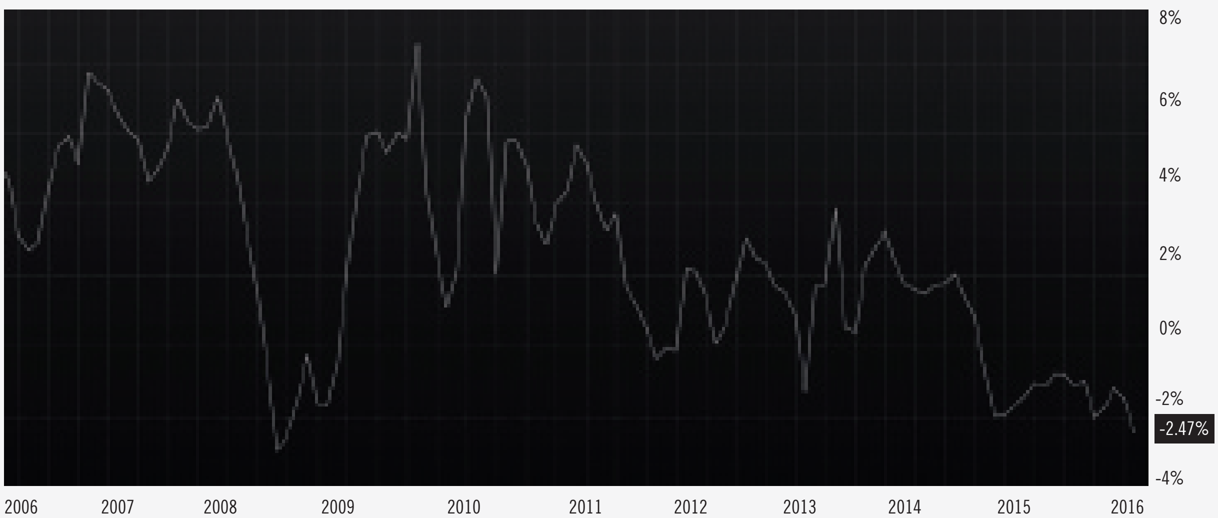
Conversely, as shown in Exhibit 2, numerous currencies in Sub-Saharan Africa suffered harsh devaluations during 2015. While many of these countries are commodity producers that were hit hard by the downturn in oil and base metals, the currency weakness also hit economies such as Kenya and Tanzania that are not linked to commodities. Further, the consensus view is growing for a meaningful devaluation in Nigeria, with the currency value said to be running close to NGN 375 in the black market, as compared to the official rate of NGN 199. A common thread across all of these currencies is the dependence on US dollar liquidity. Amid a slowing China, a tightening US monetary environment, and falling commodity prices, liquidity (depicted in Exhibit 3 by the year-over-year change in global FX reserves as a proxy) has shown increasing strains over the past two years.

EXHIBIT 2: Currency Depreciation Across Sub-Saharan Africa



Source: Thomson Reuters Datastream, HSBC

EXHIBIT 3: World FX Reserves Year-over-Year Change



Source: Bloomberg

In addition to Sub-Saharan Africa, Argentina undertook a sizable devaluation at the end of 2015, following the election of Mauricio Macri as president. A centerpiece of Macri's campaign was that reforms would be swift and meaningful, and the newly appointed central bank governor, Federico Sturzenegger, wasted little time in lifting FX controls on December 17. The official value of the Argentine peso immediately converged to the black market rate.

All things considered, this transition has gone smoothly thus far. Yet, the emergence of a credible inflation-targeting regime will be critical following such a large devaluation and Argentina's already high rate of inflation. Finance Minister Alfonso Prat-Gay announced the goal to reduce inflation to 20-25% in 2016, 12-17% in 2017, 8-12% in 2018, and 5% in 2019. This seems a tall order, but any progress in bringing down inflation will be looked upon favorably by investors.

Following are three countries where we see the potential for further currency volatility or devaluation in 2016, along with a summary of our current positioning in each country.

Egypt

With twin fiscal and current account deficits alongside public sector debt-to-GDP of 98%, Egypt faces increasing macro strains. Following the 2011 Arab Spring, Egypt has run a fiscal deficit greater than 10% of GDP in each successive year. Moreover, a deteriorating security situation has led to a drop in tourist arrivals and a slowing economy. While at first glance it may appear that Egypt should benefit in a declining commodity price environment, the fact remains that transfers and remittances from Gulf Cooperation Council (GCC) nations represent a meaningful source of funding.

Though the chorus has grown for devaluation, authorities have resisted such a move, opting for tight FX controls and attempting to promote a more stable currency. However, this cannot last indefinitely and we expect downward pressure on the Egyptian pound over the course of the year.

We maintain positions in the leading commercial bank, as well as a producer of branded food products, both of which we consider "best of breed" companies with management teams capable of navigating periods of macroeconomic stress. The fund currently maintains a 1.9% weighting to Egypt.

Vietnam

The pegged currency regime of Vietnam is likely to see further downward pressure in 2016, following a 5% devaluation in 2015. As currency weakness spreads throughout Asia following the depreciation of the Chinese yuan, Vietnam would likely follow through with another similar devaluation.

Counter to China and other parts of Asia, Vietnam never received large amounts of hot money inflows during the post-global financial crisis era as it was still working off the excesses of the late-2000s property bubble and associated asset quality issues of the banking system. Moreover, the emergence of the Trans-Pacific Partnership and the desire of multinationals to diversify their manufacturing bases away from higher cost destinations have resulted in an influx of stickier foreign direct investment. Given that much of this investment is tied to export-driven industries such as textiles and electronics, Vietnam is poised to benefit from a gradually weakening currency.

Consequently, we see Vietnam as having among the best outlooks for growth in 2016 within frontier markets. Amid the strong rallies in regional equity markets such as Pakistan and Bangladesh, frontier market investors seem to have written off Vietnam, mistakenly so in our view. Vietnam remains an overweight position for the strategy at 10.0% versus 4.1% in the MSCI FM Index.

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Nigeria

While Nigeria has a lower public sector debt burden at approximately 10% of GDP, and ran current account surpluses up through 2014, the collapse in the oil price has left the country in desperate need of US dollar liquidity. Given the commodity-related pressures on the current account, the structural underinvestment in areas like power and infrastructure, and the ambitious government spending plans, Nigeria is likely to have meaningful funding needs. Accordingly, its strategy of tight FX controls and running down of FX reserves is not sustainable. We are not alone in expecting a devaluation of the naira at some point in 2016, and Nigerian equities have derated sharply due to macro-economic deterioration.

While value has emerged in Nigeria, we do not expect the declines to be arrested until the price of oil stabilizes and a currency devaluation occurs. Even then, we expect the beneficiaries to be confined to a relatively concentrated number of stocks, and we do not expect immediate relief to the consumer in an environment of rising inflation and a weakening currency. As such, we maintain only one position in Nigeria, that of a tier-one bank that maintains a 10% dividend and trades well below book value. Over the course of the adjustment phase in Nigeria's economy, we expect this bank to emerge as a long-term winner and strengthen its position amid a fragmented industry.

Lastly, there has been growing discussion over the sustainability of currency pegs throughout the Middle East, namely Saudi Arabia. We briefly summarized our views on the Saudi riyal last month, following a recent trip to the region, and we maintain that despite the strains of sub-$30 oil on the Saudi economy, numerous other policy measures are likely to be undertaken ahead of any considerations to de-peg the currency. The fund currently has no exposure to Saudi Arabia, and maintains a substantial underweight to the Middle East, at 8.7% versus 27.8% in the MSCI FM Index.

We anticipate that in many of the cases just outlined, increasing currency volatility will create a more challenging environment for domestic demand and serve as a headwind to equity market outperformance. The notable exceptions to this statement include Vietnam, where we see currency weakness translating into improving economic growth, and Argentina, where we see currency devaluation as a necessary step in its reform agenda. For the remaining countries, we see valuation levels that are becoming increasingly attractive, yet lacking a catalyst. We anticipate that over the course of the year, opportunities to increase our exposure to recovery growth stocks in Africa and the Middle East will present themselves as the macroeconomic adjustment process unfolds.

Until next month,

Chad Cleaver
Portfolio Manager

Rich Thies
Assistant Portfolio Manager

% MONTH-END ANNUAL TOTAL RETURN (as of 1/31/16)

	MTH	YTD	Inception[1]
Driehaus Frontier Emerging Markets Fund	**-3.30**	**-3.30**	**-14.90**
MSCI Frontier Markets Index[2]	-6.84	-6.84	-20.61

% QUARTER-END AVERAGE ANNUAL TOTAL RETURN (as of 12/31/15)

	QTR	Inception[1]
Driehaus Frontier Emerging Markets Fund	**-1.01**	**-12.00**
MSCI Frontier Markets Index[2]	-1.20	-14.78

ANNUAL FUND OPERATING EXPENSES[4]

Management fee:	1.50%
Other expenses:	0.77%
Total annual fund operating expenses:	2.27%
Expense Reimbursement:	(0.27%)
Total Annual Fund Operating Expenses After Expense Reimbursement:	**2.00%**

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	80	120
Weighted Avg. Market Cap (M)	$2,169	$3,837
Median Market Cap (M)	$956	$1,452
Est. 3-5 Year EPS Growth	17.3%	11.3%
Active Share	77.50	n/a
Market Cap Breakout		
< $5 billion	89.0%	77.0%
$5 - $15 billion	10.4%	22.8%
> $15 billion	0.6%	0.3%

TOP 5 HOLDINGS[3] (as of 12/31/15)

Company	Sector	Country	% of Fund
Safaricom Limited	Telecom. Services	Kenya	3.4%
Brac Bank Limited	Financials	Bangladesh	3.3%
Zenith Bank PLC	Financials	Nigeria	3.2%
Letshego Holdings Limited	Financials	Botswana	2.7%
Adecoagro S.A.	Consumer Staples	United States	2.6%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 1/31/16.

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

[1]Inception date: 5/4/2015. [2]Benchmark: The Morgan Stanley Capital International Frontier Markets Index provides broad representation of the equity opportunity set while taking investability requirements into consideration within each market. MSCI classifies 33 countries as frontier markets, 24 of which are included in the MSCI Frontier Markets Index. [3]Holdings subject to change. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 15, 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. "Other Expenses" are estimated for the current fiscal year because the Fund did not commence operations until May 4, 2015. Driehaus Capital Management LLC, the Fund's investment adviser, has entered into a contractual agreement to cap the Fund's ordinary annual operating expenses (excluding interest, taxes, brokerage commissions and other investment-related costs and extraordinary expenses) at 2.00% of average daily net assets until the earlier of the termination of the investment advisory agreement, by the Board of Trustees or the Fund's shareholders, or April 30, 2018. Pursuant to the agreement, and so long as the investment advisory agreement is in place, for a period of three years subsequent to the Fund's commencement of operations on May 4, 2015, the investment adviser is entitled to reimbursement for previously waived fees and reimbursed expenses to the extent that the Fund's expense ratio remains below the operating expense cap that was in place at the time of the waiver.

COUNTRY WEIGHTS

	Fund	Benchmark	Active weights
Argentina	8.0%	13.2%	-5.2%
Bangladesh	15.5%	2.6%	12.9%
Botswana	2.6%	0.0%	2.6%
Colombia	0.2%	0.0%	0.2%
Egypt	1.9%	0.0%	1.9%
Georgia	0.5%	0.0%	0.5%
Hungary	0.8%	0.0%	0.8%
Kenya	6.6%	5.4%	1.2%
Kuwait	4.3%	20.3%	-16.1%
Nigeria	3.0%	11.9%	-8.9%
Pakistan	15.6%	8.6%	7.0%
Qatar	0.9%	0.0%	0.9%
Romania	7.5%	1.9%	5.6%
Senegal	1.4%	0.0%	1.4%
Sri Lanka	3.9%	1.8%	2.2%
Tanzania	1.1%	0.0%	1.1%
Thailand	2.9%	0.0%	2.9%
Togo	0.7%	0.7%	0.0%
Ukraine	0.4%	0.0%	0.4%
United Arab Emirates	1.7%	0.0%	1.7%
United Kingdom	1.8%	0.0%	1.8%
United States	2.6%	0.6%	2.0%
Vietnam	10.0%	4.0%	5.9%
Cash	6.1%	0.0%	6.1%
Unassigned	0.1%	0.0%	0.1%

SECTOR WEIGHTS

	Fund	Benchmark	Active Weights
Consumer Discretionary	2.8%	0.4%	2.4%
Consumer Staples	13.9%	8.0%	5.9%
Energy	0.9%	9.5%	-8.6%
Financials	41.8%	53.4%	-11.7%
Health Care	4.6%	3.5%	1.1%
Industrials	4.7%	2.8%	1.9%
Materials	10.9%	7.3%	3.6%
Telecomm. Services	7.1%	13.5%	-6.4%
Utilities	6.7%	1.2%	5.4%
Cash	6.1%	0.0%	6.1%
Unassigned	0.6%	0.0%	0.6%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 1/31/16. Benchmark: MSCI Frontier Markets Index

Driehaus Securities LLC, Distributor

The Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the Fund has benefited from unusually strong market conditions. At times, a significant portion of a Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and the Fund may not experience similar performance results as its assets grow. **Investments in overseas markets can pose more risks than U.S. investments, and the Fund's share prices are expected to be more volatile than that of a U.S.-only fund.** In addition, the Fund's returns will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which the Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the Fund's prospectus. **Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111 or visit www.driehaus.com. Please read the prospectus carefully before investing.**

TERMS: Active share represents the share of portfolio holdings that differ from the benchmark index holdings. Average drawdown is the arithmetic average of declines in value during a given period of time. Downside risk is a measure of the average deviations of a negative return series. A large downside risk implies that there have been large swings or volatility in the manager's return series. **Beta** is a measure of a portfolio's volatility. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. **Standard deviation** is a measure of the average deviations of a return series from its mean; often used as a measure of portfolio volatility. A large standard deviation implies that there have been large swings or volatility in the manager's return series. **Tracking error** measures of the amount of active risk that is being taken by a manager. Tracking error accounts for the deviation away from the benchmark and does not indicate in which direction it occurred, either positive or negative. Source: eVestment Alliance. **Alpha** is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Sharpe ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Information Ratio (IR)** measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **R-squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. For fixed-income securities, the benchmark is the T-bill. For equities, the benchmark is the S&P 500.