Driehaus Frontier Emerging Markets Fund

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
$76.1 million

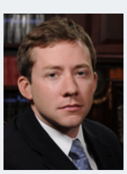
FIRM ASSETS UNDER MANAGEMENT
$8.1 billion

INVESTMENT UNIVERSE
Frontier markets all cap equity

INVESTMENT STYLE
Growth equity

PORTFOLIO MANAGERS

Chad Cleaver, CFA
Lead Portfolio Manager
15 years experience

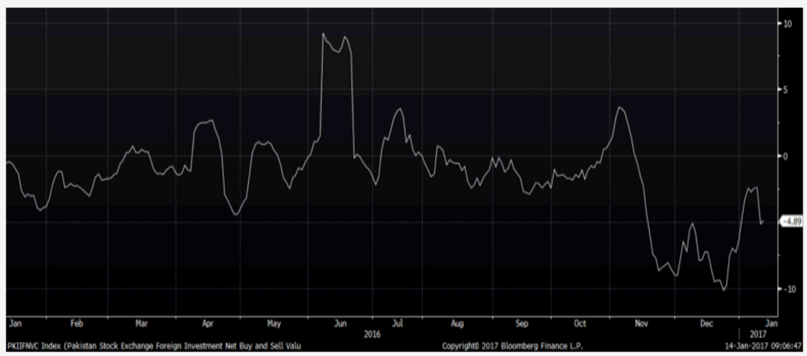


Richard Thies
Portfolio Manager
10 years of investment experience

@DriehausCapital

In recent months, there has been a growing bifurcation within frontier markets that makes us particularly attentive to signs of incremental change. Increasingly, Bangladesh and Pakistan appear to be growing crowded, with local retail buying picking up substantially. Turnover on the Pakistan Stock Exchange has been steadily increasing, recently running at $100 million per day (50% above its five-year average), and second-tier companies are starting to lead the market higher, while foreigners have turned net sellers (Exhibit 1).

Exhibit 1: Net foreign investment in Pakistan Stock Exchange
(10-day moving average)



Source: Bloomberg

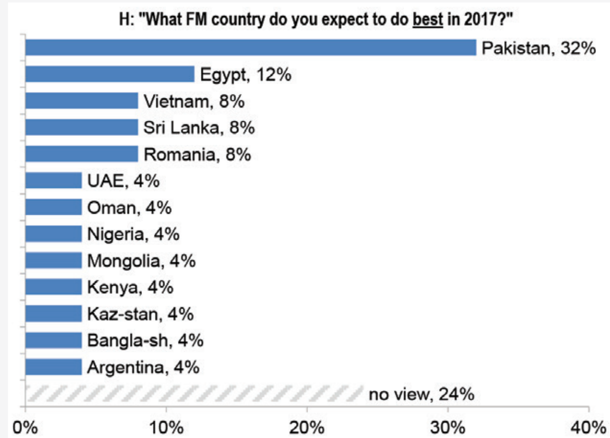
While a bell is not rung at market tops or bottoms, this enthusiasm for markets that have been clear leaders for several years and are at advanced stages in their bull run may at least portend a pause in their respective rallies. Scanning media articles about frontier markets, it is quite common to see Pakistan and Bangladesh listed as consensus favorites.

Fund manager surveys show a particularly strong sense of optimism for Pakistan (Exhibit 2). On the surface, it is tough to disagree from a fundamental standpoint, but bear in mind that the market is up 537% from the 2009 lows in US dollar terms (trouncing even the Russell 2000, which is "only" up 288%)! While the prevailing trend may well continue, a lot of good news has been discounted in share prices at this stage of the market advance.

The fund remains modestly overweight Pakistan, but we have reduced select positions where the share prices have arguably overshot the earnings growth potential. Similarly, we have tightened our positioning in Bangladesh, which remains a substantial portfolio overweight, concentrating in our highest conviction ideas.

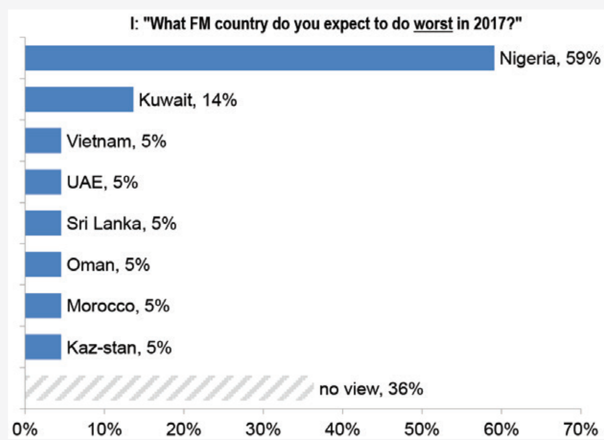
Conversely, recent fund manager surveys suggest a growing revulsion toward investments in Nigeria (Exhibit 3). This is a market that is now trading only $5 million per day, while turnover had been consistently $15 to $30 million from 2010 through 2014, which was prior to the collapse in the price of oil and Nigeria's economy downturn. In US dollar terms, the Nigerian Stock Exchange is now below levels seen during the depths of the global financial crisis, and are at the same level as seen in early 2001. Relative to the MSCI Frontier Markets Index, it is at all-time lows, a mere four years after being a frontier market darling (Exhibit 4).

Exhibit 2: Fund managers' most preferred frontier market for 2017



Source: Citi Research

Exhibit 3: Fund managers' least preferred frontier market for 2017



Source: Citi Research

Exhibit 4: Nigeria Stock Index relative to MSCI Frontier Markets Index (US dollar terms)

Source: Bloomberg

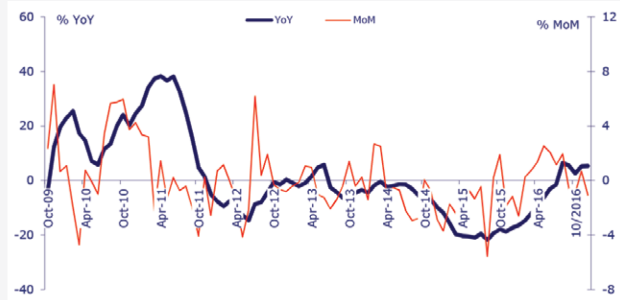
On consensus estimates, the fund's two bank holdings in Nigeria trade at 0.6x and 1.3x price/book, with 11% and 8% dividend yields and a 17% and 23% return on equity. In a "normalized" environment, these would be screaming buys for most portfolios. However, Nigeria has failed to liberalize its monetary policy, leaving corporates woefully short of dollars, and leading the parallel currency to depreciate to 490, a growing disconnect with the official naira rate, which has been held stable at 315. Moreover, the banks have not yet reported a substantial pickup in non-performing loans or stressed assets. Thus, the book values embedded in these attractive valuations may face downward revisions.

A potential positive inflection point for Nigeria likely hinges on another currency devaluation, suggesting that Nigerian equities must appreciate substantially for dollar-based investors to gain. That said, in a market where liquidity is tight, sentiment is deeply negative, and values are at or near all-time lows on a relative and absolute basis, if anything goes right, the potential for a sharp recovery is clear.

The biggest risk is that the Central Bank of Nigeria stays detached from reality or settles for half-measures, leaving the market moribund and exposing investors to currency losses without commensurate gains on their equity holdings. We remain equal weight to Nigeria, focused on companies with dominant market positions that could gain at the expense of weaker competitors.

At the industry level, we are seeing some interesting trends emerge in agriculture after years of oversupply, stagnant activity, and deteriorating farmer incomes. While inventory overhangs may prevent a sharp spike in food inflation, the trend has begun to bottom (Exhibit 5). Share prices within the industry remain depressed from the previous downturn, although the incremental fundamental change has turned positive, in our view, supported by rising energy prices, which comprise 10-20% of the cost base for farmers.

Exhibit 5: Global food price inflation

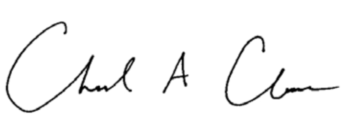


Source: FAO, CLSA

Should this trend continue to materialize, it would have positive implications for Argentina, which maintains a large agriculture industry. Within the broader reflationary backdrop, we must also watch for negative implications from deflation winners, who benefited from the dual tailwind of improving terms of trade along with declining consumer price inflation over the past three years.

Next month, we will articulate our views on another industry that has arguably been overlooked by investors, which is frontier oil and gas. Following last year's recovery in the oil price, much attention has been paid to OPEC actions and the emergence of US shale as the marginal producer. However, amid the race between technology and resource depletion, our view is that the world will likely turn to frontier sources of production again over the coming two to three years. We will further elaborate on our views on this trend and how we are positioning for it in our February commentary.

Until next month,



Chad Cleaver
Lead Portfolio Manager

Rich Thies
Portfolio Manager

% MONTH-END ANNUAL TOTAL RETURN (as of 1/31/17)

	MTH	YTD	1 Year	Inception[1]
Driehaus Frontier Emerging Markets Fund	**3.66**	**3.66**	**17.12**	**-0.19**
MSCI Frontier Markets Index[2] (ND) (Benchmark)	6.66	6.66	17.54	-4.00
MSCI Frontier Markets Index[2] (GD)	6.66	6.66	18.11	-3.61

% QUARTER-END ANNUAL TOTAL RETURN (as of 12/31/16)

	QTR	YTD	1 Year	Inception[1]
Driehaus Frontier Emerging Markets Fund	**-0.88**	**9.26**	**9.26**	**-2.34**
MSCI Frontier Markets Index[2] (ND) (Benchmark)	0.49	2.66	2.66	-7.84
MSCI Frontier Markets Index[2] (GD)	0.54	3.16	3.16	-7.44

ANNUAL FUND OPERATING EXPENSES[4]

Management fee:	1.50%
Other expenses:	2.39%
Acquired Fund Fees and Expenses	0.02%
Total annual fund operating expenses:	3.91%
Expense Reimbursement:	(1.89%)
Total Annual Fund Operating Expenses After Expense Reimbursement:	**2.02%**[5]

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	92	124
Weighted Avg. Market Cap (M)	$3,023	$4,655
Median Market Cap (M)	$946	$1,693
Est. 3-5 Year EPS Growth	10.2%	7.0%
Active Share	72.96	n/a
Market Cap Breakout		
< $5 billion	78.8%	66.4%
$5 - $15 billion	21.2%	33.6%
> $15 billion	0.0%	0.0%

TOP 5 HOLDINGS[3] (as of 12/31/16)

Company	Sector	Country	% of Fund
Safaricom Limited	Telecomm. Services	Kenya	3.9%
Banca Transilvania SA	Financials	Romania	3.8%
Zenith Bank PLC	Financials	Nigeria	3.3%
Brac Bank Limited	Financials	Bangladesh	3.0%
Grupo Financiero Galicia SA Sponsored ADR Class B	Financials	Argentina	2.6%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 1/31/17.

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]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 as a frontier market. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. The gross dividend (GD) index is calculated with gross dividend reinvestment. The benchmark has changed from the MSCI Frontier Markets Index (GD) to the MSCI Frontier Markets Index (ND) because the net index is more commonly used industry wide and is a more representative comparison versus the fund because it is presented net of foreign withholding taxes. [3]Holdings subject to change. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2016. 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. [5]Driehaus Capital Management LLC, the Fund's investment adviser, has entered into a contractual agreement to cap the Fund's ordinary annual operating 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 May 3, 2018. The expense cap excludes interest, taxes, brokerage commissions and other investment-related costs and extraordinary expenses, including the acquired fund fees and expenses, resulting in the current total annual fund operating expenses after expense reimbursement of 2.02%. 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 as well as the existing operating expense cap.

COUNTRY WEIGHTS

	Fund	Benchmark		Fund	Benchmark
Argentina	7.7%	15.1%	Pakistan	11.8%	9.5%
Australia	1.0%	0.0%	Panama	0.5%	0.0%
Bahrain	0.0%	3.2%	Poland	1.0%	0.0%
Bangladesh	12.4%	2.2%	Qatar	0.7%	0.0%
Botswana	0.6%	0.0%	Romania	7.0%	3.6%
Canada	1.3%	0.0%	Saudi Arabia	1.7%	0.0%
Colombia	1.7%	0.0%	Senegal	0.9%	0.9%
Croatia	1.1%	1.4%	Singapore	0.5%	0.0%
Egypt	2.5%	0.0%	Slovenia	0.0%	1.5%
Estonia	0.9%	0.4%	Serbia	0.0%	0.2%
Georgia	0.8%	0.0%	Sri Lanka	2.4%	1.4%
Ivory Coast	0.0%	0.2%	Suriname	0.9%	0.0%
Jordan	0.0%	1.3%	Tanzania	0.8%	0.0%
Kazakhstan	0.0%	1.9%	Thailand	1.9%	0.0%
Kenya	4.7%	3.6%	Togo	0.0%	0.2%
Kuwait	2.3%	19.2%	Tunisia	0.0%	0.5%
Lebanon	0.0%	3.1%	UAE	5.1%	0.0%
Lithuania	0.0%	0.1%	United Kingdom	4.8%	0.0%
Mauritius	0.0%	2.8%	United States	1.6%	1.0%
Morocco	1.3%	8.6%	Vietnam	9.7%	7.6%
Nigeria	5.5%	6.6%	Cash	4.9%	0.0%
Oman	0.0%	3.9%			

SECTOR WEIGHTS

	Fund	Benchmark	*Active Weights*
Consumer Discretionary	4.5%	1.2%	3.3
Consumer Staples	5.7%	8.0%	-2.4
Energy	4.4%	9.0%	-4.7
Financials	40.2%	44.5%	-4.3
Health Care	5.0%	2.4%	2.5
Industrials	7.8%	3.1%	4.7
Information Technology	0.0%	0.8%	-0.8
Materials	10.3%	8.0%	2.3
Real Estate	2.8%	5.0%	-2.3
Telecomm. Services	7.9%	13.8%	-5.9
Utilities	5.3%	4.1%	1.2
Cash	4.9%	0.0%	4.9
Unassigned	1.5%	0.0%	1.5

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 1/31/17. Benchmark: MSCI Frontier Markets Index (ND)

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.