

Regional Spotlight: Indochina

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

\$21.0 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
Portfolio Manager
9 years of investment experience



Among the many appealing characteristics of frontier markets from an investment perspective is the ability to generate rapid growth that is less dependent on the global economy. Within these markets, growth tends to be derived more from the organic development of the macroeconomic, political and regulatory systems, along with factors such as demographics, productivity growth and the increasing penetration of basic goods and services.

In February, we highlighted Vietnam as a country that continues to benefit from these factors, while also being poised for a pickup in economic growth. This is resulting from rising foreign direct investment, which is creating a favorable backdrop for accelerating credit growth, consumption and infrastructure investment. Along with Vietnam, we are finding an increasing opportunity set in the broader Indochina region, encompassing Cambodia, Laos and Myanmar (CLMV, for short).

While some of these countries have tiny populations—Laos is smaller than the city of Karachi, for example—taken together the CLMV countries will have an estimated population of 182 million by 2020 (Exhibit 1). Moreover, the young population of these countries points to a structural rise in consumption, with a growing working age population.

Exhibit 1: CLMV Population Estimates

Member States	Urban Population: % of Total Population	Urban Population: % of ASEAN	Dependency Ratio (%)		Population Projection, Mid-Year (Persons mn)	
	Latest Year	2014	2005	2014	2020	2050
Cambodia	20.4%('14)	1.1%	67.9%	55.8%	16.9	22.3
Laos	36.1%('13)	0.9%	79.1%	63.6%	7.5	10.1
Myanmar	33.4%('14)	6.1%	55.3%	49.9%	59.1	70.7
Vietnam	33.1%('14)	10.2%	50.9%	42.3%	98.7	111.2
CLMV	30.3%('13)	18.3%	63.3%	52.9%	182.2	214.3

Source: CEIC

Disclosures

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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 (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.

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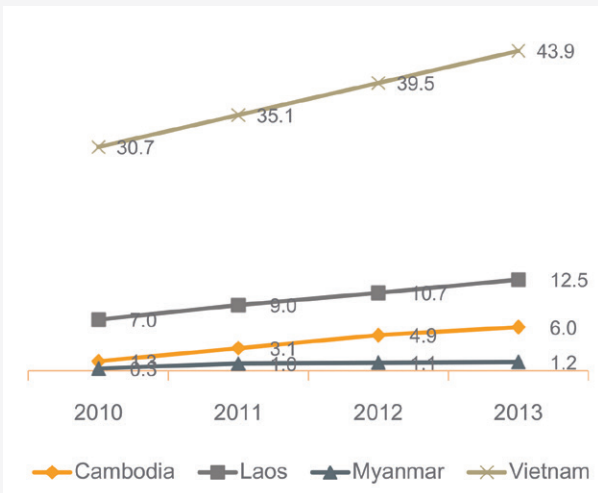
Cambodia, Laos and Myanmar exhibit low penetration rates of credit and Internet usage, reflecting the less developed nature of these economies (Exhibit 2 and 3).

Additionally, while foreign direct investment is starting to increase, it is doing so off of an extremely low base (Exhibit 4).

Last month, Japan announced a \$7 billion plan to invest in infrastructure and the development of human resources in Vietnam, Laos, and Thailand, with the aim of promoting

greater connectivity within the region. Additionally, China's One Belt, One Road (OBOR) project and the Asian Infrastructure Investment Bank (AIIB) carry implications for investment in the region. Myanmar finds itself in position to benefit from both initiatives as a member of the AIIB and the recipient of a recent \$3 billion investment in a refinery as part of OBOR. We expect that as the region grows in strategic and economic importance in the coming years, foreign direct investment will continue to pick up, potentially resulting in new opportunities for equity investors.

Exhibit 2: Internet User (per 100 people)



Source: World Bank

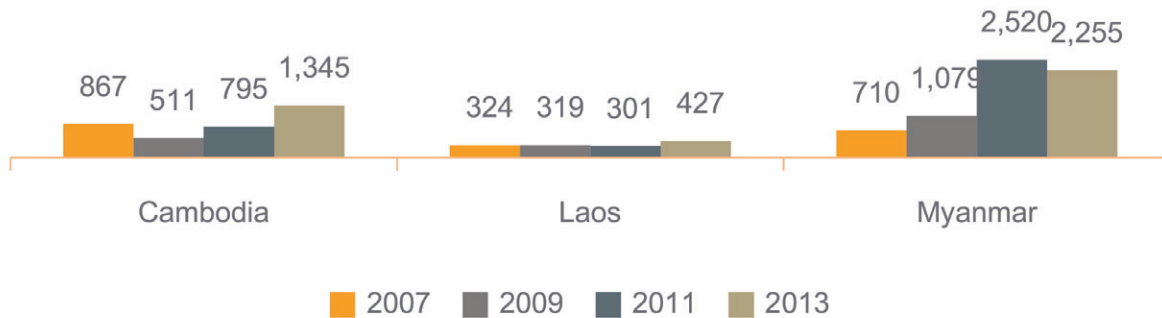
Exhibit 3: Credit (% of GDP)



Source: National Bank of Cambodia, Bank of the Lao PDR, and The State Bank of Vietnam

Exhibit 4: Foreign Direct Investment Net Inflow and Major Investors

1 Malaysia	25%*	1 Vietnam	25%**	1 China	25%***
2 China	12%	2 China	18%	2 Thailand	18%
3 Taiwan	8%	3 Thailand	16%	3 Hong Kong	16%
6 Thailand	4%	4 Korea	4%	4 Singapore	4%



Source: World Bank

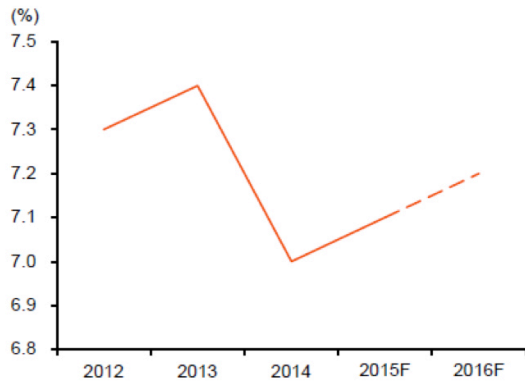
* Council for the Development of Cambodia, percentage of total cumulative registered investment value, August 1994 to November 2012

** Department of Investment Promotion, percentage of total cumulative registered investment value Y2000 to September 2012

*** Directorate of Investment and Company Administration, percentage of total cumulative foreign registered investment value Y1988 to April 2014

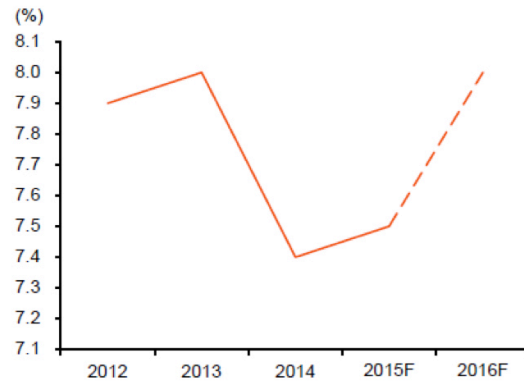
EXHIBIT 5: GDP Growth and Favorable Demographics Make Indochina an Attractive Source of Top Line Growth

Cambodia's GDP Growth



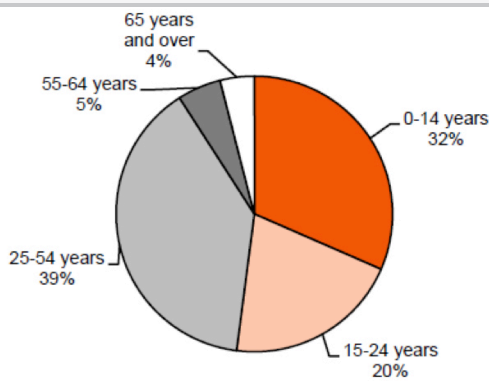
Source: IMF

Laos' GDP Growth



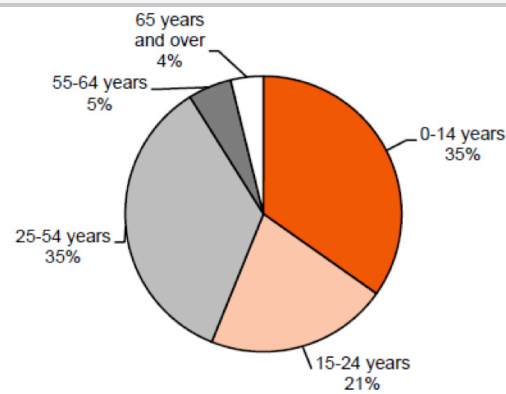
Source: IMF

Cambodia's Population by Age Group



Source: CIA World Factbook

Laos' Population by Age Group



Source: CIA World Factbook

The combination of attractive GDP growth, favorable demographics, and an underpenetrated consumer market, make Indochina an attractive source of top line growth, as illustrated in Exhibit 5, and numerous Asian and multinational companies have established a presence in the region to tap into this opportunity.

Unfortunately, getting exposure to this fast growing region as an equity investor can be challenging. While each of these countries has a stock exchange, there are a grand total of eight listed securities between them. The dearth of listed securities and liquidity makes direct investing at this stage a difficult proposition.

However, there are a number of companies listed in other Asian equity markets that have significant exposure to Indochina and

offer substantially better liquidity than in the local markets at this stage.

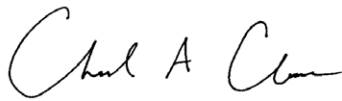
Currently, the Driehaus Frontier Emerging Markets Fund has a position in two Thai-listed companies that derive meaningful growth from CLMV. One of these companies provides financing for motorcycles and agricultural machinery and was a first mover into Cambodia and Laos with over 220 points of sale. Thus far, the company has maintained exemplary asset quality as the market is largely underpenetrated and it has been able to select creditworthy borrowers. With 70% of the population still living in rural areas in these countries, the demand for motorcycles and agricultural equipment remains robust, and prior to the firm entering the market, most of the transactions were conducted in cash.

The second CLMV holding is a cosmetics retailer that offers exposure to a more aspirational consumption dynamic within the region. After years of success with their concept in Thailand, the company made an initial foray into CLMV with 32 stores, and plans to add another 18 per year over the next three years. This is done through an asset-light approach with a partner who invests in the stores, while the firm provides product, staff training and direction on the store formats. We believe this approach will capture an outsized rate of top line growth while exhibiting high returns on invested capital.

The Driehaus emerging markets strategies have been investing in this region for the past five years. (Driehaus Portfolio Manager Howie Schwab's trip to Myanmar was featured in Gavin Serkin's book, "Frontier: Exploring the Top Ten Markets of Tomorrow.") Past holdings within Driehaus' frontier and emerging markets funds include a casino in Cambodia, a conglomerate in Myanmar with exposure in fast-growing areas such as property development, food and beverages, restaurants, and agricultural equipment, and a Laotian automotive distributor.

While the Indochina economies and equity markets are currently at a nascent stage, we anticipate a growing opportunity set in the coming years, which can offer differentiated growth in an attractive region to invest.

Until next month,



Chad Cleaver
Portfolio Manager



Rich Thies
Portfolio Manager

% MONTH-END ANNUAL TOTAL RETURN (as of 5/31/16)

	MTH	YTD	1 Year	Inception ¹
Driehaus Frontier Emerging Markets Fund	1.55	4.09	-5.66	-7.83
MSCI Frontier Markets Index ²	1.09	3.43	-8.59	-10.98

% QUARTER-END ANNUAL TOTAL RETURN (as of 3/31/16)

	QTR	Inception ¹
Driehaus Frontier Emerging Markets Fund	-0.80	-12.70
MSCI Frontier Markets Index ²	-0.75	-15.42

ANNUAL FUND OPERATING EXPENSES⁴

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%

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	100	121
Weighted Avg. Market Cap (M)	\$2,429	\$4,155
Median Market Cap (M)	\$1,096	\$1,606
Est. 3-5 Year EPS Growth	17.5%	18.0%
Active Share	74.39	n/a
Market Cap Breakout		
< \$5 billion	82.7%	72.1%
\$5 - \$15 billion	17.3%	27.6%
> \$15 billion	0.0%	0.3%

TOP 5 HOLDINGS³ (as of 4/30/16)

Company	Sector	Country	% of Fund
Safaricom Limited	Telecommunication Services	Kenya	3.9%
Vietnam Dairy Products Corp.	Consumer Staples	Vietnam	3.0%
Zenith Bank PLC	Financials	Nigeria	2.6%
Letshego Holdings Limited	Financials	Botswana	2.5%
Pampa Energia SA Sponsored ADR	Utilities	Argentina	2.3%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 5/31/16.

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.

¹Inception date: 5/4/2015. ²Benchmark: 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. ³Holdings subject to change. ⁴Represents 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. 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 May 3, 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 as well as the existing operating expense cap.

COUNTRY WEIGHTS

	Fund	Benchmark	Active weights
Argentina	8.9%	13.9%	-5.0%
Bangladesh	9.7%	2.5%	7.2%
Botswana	2.3%	0.0%	2.3%
Canada	1.8%	0.0%	1.8%
Croatia	1.2%	1.4%	-0.2%
Egypt	5.3%	0.0%	5.3%
Estonia	0.5%	0.6%	-0.1%
Georgia	0.6%	0.0%	0.6%
Kenya	8.0%	5.4%	2.5%
Kuwait	1.6%	19.2%	-17.5%
Morocco	1.0%	7.6%	-6.6%
Nigeria	4.5%	12.7%	-8.2%
Pakistan	14.3%	9.0%	5.3%
Qatar	0.5%	0.0%	0.5%
Romania	6.8%	3.3%	3.5%
Saudi Arabia	0.5%	0.0%	0.5%
Senegal	1.2%	0.0%	1.2%
South Africa	0.9%	0.0%	0.9%
Sri Lanka	2.7%	1.7%	1.0%
Suriname	0.5%	0.0%	0.5%
Tanzania	0.9%	0.0%	0.9%
Thailand	2.3%	0.0%	2.3%
Togo	0.4%	0.7%	-0.2%
Ukraine	1.8%	0.0%	1.8%
United Arab Emirates	1.9%	0.0%	1.9%
United Kingdom	2.6%	0.0%	2.6%
United States	1.3%	0.6%	0.6%
Vietnam	14.9%	3.9%	11.0%
Cash	1.2%	0.0%	1.2%
Unassigned	0.0%	0.0%	0.0%

SECTOR WEIGHTS

	Fund	Benchmark	Active Weights
Consumer Discretionary	4.6%	1.1%	3.5%
Consumer Staples	16.9%	8.2%	8.7%
Energy	3.9%	10.2%	-6.3%
Financials	41.3%	51.8%	-10.5%
Health Care	4.6%	3.2%	1.4%
Industrials	5.5%	2.8%	2.7%
Information Technology	0.0%	0.5%	-0.5%
Materials	8.8%	7.6%	1.2%
Telecomm. Services	6.0%	13.3%	-7.3%
Utilities	6.7%	1.3%	5.4%
Cash	1.2%	0.0%	1.2%
Unassigned	0.5%	0.0%	0.5%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 5/31/16. Benchmark: MSCI Frontier Markets Index

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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.