

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

\$43.4 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



The second quarter of 2016 brought no shortage of excitement to frontier markets. The two most meaningful events revolved around currencies and MSCI's annual review of its market classifications.

Stepping into the year, we postulated that Nigeria would be among the countries to face potentially significant downside to its currency, the naira (NGN), in 2016. This was a case of pent-up pressure resulting from a rapidly deteriorating trade balance as oil plummeted over the preceding 18 months, and US dollar shortages became acute within the economy.

Consequently, the devaluation was really more a case of when, not if, as political leaders heretofore turned a blind eye to the situation and stridently maintained a fixed exchange rate of NGN 197 to the dollar, even while the parallel market exchange rate soared above NGN 300. That all changed on June 15, when central bank governor Godwin Emefiele announced the move to a “purely market driven” exchange rate.

The good news is that the central bank made good on its promises in the early days of this new policy, clearing a massive backlog of over \$4 billion of foreign exchange demand, facilitating proper price discovery and removing a key overhang. The bad news is that this entailed a devaluation of more than 40% of the official exchange rate. With equity prices in local terms failing to rally anywhere near that magnitude, US dollar-based investors were left with significant losses.

The “ugly” news is that the likely resulting negative effect on inflation and consumer spending—occurring at a time in which militant attacks have impaired Nigeria's oil production—is preventing the country from realizing the benefits of a higher oil price. The strategy remains underweight Nigeria, reflecting our view that the passive index disproportionately weights Nigeria more heavily than its economic fundamentals would dictate.

On the subject of passive indices, the annual MSCI review of market classifications brought about a few interesting developments. Most prominently, Pakistan will be upgraded to emerging market status in May 2017. Additionally, Argentina was put on review for a potential upgrade in the future, signifying external confidence in the measures taken by President Macri thus far during his tenure. Lastly, Nigeria was put under consideration for exclusion from the frontier index.

Consistent with other strategies at Driehaus Capital Management, we do not mimic the MSCI index or other passive benchmarks, but rather manage assets in a benchmark-aware manner. Thus, while MSCI's changes alone will not dictate any future change in the strategy's positioning, they are reflective of ongoing positive change in Pakistan and Argentina, along with growing concern about the forward outlook for Nigeria, all of which have been reflected in our positioning dating back to the inception of the portfolio.

As the composition of MSCI Frontier Markets Index continues to evolve, frontier investors may increasingly emphasize areas such as Romania, Bangladesh, and select equities within Kenya, all of which remain favored areas of investment within the strategy. Additionally, as foreign ownership limitations in Vietnam are gradually reduced, we see potential for the country weighting to increase over time.

Performance Review and Portfolio Positioning

The Driehaus Frontier Emerging Markets Fund outperformed its benchmark by slightly more than 600 basis points for the second quarter. The fund advanced 6.64%¹ compared to the MSCI Frontier Markets Index return of 0.63%.

At the sector level, notable contributions to performance came from financials, utilities, consumer staples and materials, while the sole detractor was information technology.

From a country perspective, Nigeria, Kuwait and Vietnam contributed to performance. Egypt, Oman and Morocco detracted value.

As of quarter-end, the fund was overweight the consumer staples and utilities sectors, as well as to Vietnam, Bangladesh and Pakistan. The fund held significant underweights to the financials, telecom and energy sectors, as well as to Kuwait, Morocco and Nigeria.

Outlook

Our view on the frontier market opportunity set remains broadly unchanged from past commentaries, as we maintain a positive outlook on domestic-focused growth within Vietnam, Bangladesh and Pakistan, as well as reform-oriented economies such as Romania and Argentina. We

continue to maintain heavy underweights in Middle East markets and Nigeria, despite the nascent rebound in commodity prices, favoring the opportunity set in the aforementioned countries due to visible growth in an otherwise growth-scarce world.

Until next month,



Chad Cleaver
Portfolio Manager



Rich Thies
Portfolio Manager

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. The Fund will charge a redemption fee of 2.00% on shares held less than 60 days. Performance data represents the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change, while cumulative total return reflects aggregate 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.**
Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

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 July 11, 2016 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since July 11, 2016 and may not reflect recent market activity. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. 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 (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.

Driehaus Securities LLC, Distributor

% MONTH-END ANNUAL TOTAL RETURN (as of 6/30/16)

	MTH	YTD	1 Year	Inception ¹
DrieHaus Frontier Emerging Markets Fund	1.64	5.80	-4.71	-5.98
MSCI Frontier Markets Index ²	-3.44	-0.13	-11.69	-12.96

% QUARTER-END ANNUAL TOTAL RETURN (as of 6/30/16)

	QTR	YTD	1 Year	Inception ¹
DrieHaus Frontier Emerging Markets Fund	6.64	5.80	-4.71	-5.98
MSCI Frontier Markets Index ²	0.63	-0.13	-11.69	-12.96

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	108	117
Weighted Avg. Market Cap (M)	\$2,598	\$3,942
Median Market Cap (M)	\$1,077	\$1,526
Est. 3-5 Year EPS Growth	10.7%	16.8%
Active Share	75.27	n/a
Market Cap Breakout		
< \$5 billion	82.6%	75.9%
\$5 - \$15 billion	16.6%	23.8%
> \$15 billion	0.8%	0.3%

TOP 5 HOLDINGS³ (as of 5/31/16)

Company	Sector	Country	% of Fund
Safaricom Limited	Telecommunication Services	Kenya	3.8%
Zenith Bank PLC	Financials	Nigeria	3.0%
Vietnam Dairy Products Corp.	Consumer Staples	Vietnam	3.0%
Banca Transilvania SA	Financials	Romania	2.9%
Pampa Energia SA Sponsored ADR	Utilities	Argentina	2.6%

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/16.

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	10.1%	15.1%	-5.0%
Bangladesh	10.8%	2.6%	8.2%
Botswana	1.1%	0.0%	1.1%
Cambodia	0.9%	0.0%	0.9%
Canada	2.9%	0.0%	2.9%
Colombia	1.0%	0.0%	1.0%
Croatia	0.6%	1.4%	-0.8%
Egypt	5.7%	0.0%	5.7%
Estonia	0.9%	0.5%	0.4%
Georgia	0.6%	0.0%	0.6%
Jersey	0.8%	0.0%	0.8%
Kenya	7.9%	5.3%	2.7%
Morocco	0.9%	7.6%	-6.6%
Nigeria	3.1%	9.4%	-6.3%
Pakistan	14.9%	9.6%	5.3%
Peru	0.5%	0.0%	0.5%
Qatar	0.5%	0.0%	0.5%
Romania	5.3%	3.5%	1.8%
Saudi Arabia	0.8%	0.0%	0.8%
Senegal	1.0%	0.0%	1.0%
Singapore	1.0%	0.0%	1.0%
South Africa	1.7%	0.0%	1.7%
Sri Lanka	1.3%	1.6%	-0.3%
Suriname	0.2%	0.0%	0.2%
Tanzania	0.9%	0.0%	0.9%
Thailand	1.3%	0.0%	1.3%
Togo	0.1%	0.5%	-0.3%
Ukraine	1.2%	0.0%	1.2%
United Arab Emirates	1.6%	0.0%	1.6%
United Kingdom	2.1%	0.0%	2.1%
United States	1.9%	1.2%	0.7%
Vietnam	14.1%	4.0%	10.1%
Cash	2.2%	0.0%	2.2%

SECTOR WEIGHTS

	Fund	Benchmark	Active Weights
Consumer Discretionary	3.5%	1.1%	2.4%
Consumer Staples	13.8%	6.9%	6.9%
Energy	4.5%	9.5%	-5.1%
Financials	41.3%	52.6%	-11.3%
Health Care	4.3%	3.1%	1.2%
Industrials	5.0%	2.7%	2.3%
Information Technology	0.0%	1.1%	-1.1%
Materials	11.2%	7.9%	3.3%
Telecomm. Services	6.8%	13.6%	-6.8%
Utilities	7.3%	1.4%	5.9%
Cash	2.2%	0.0%	2.2%
Unassigned	0.2%	0.0%	0.2%

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/16. 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.