

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

\$44 million

FIRM ASSETS UNDER MANAGEMENT

\$8.9 billion

INVESTMENT UNIVERSE

Frontier markets all cap equity

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Chad Cleaver, CFA
Lead Portfolio Manager
15 years of industry experience



Richard Thies
Portfolio Manager
10 years of industry experience



In 1997, a dairy and foods company went on a debt-financed acquisition spree, only to see many of its newly acquired divisions generate losses in the subsequent five years. The use of credit-linked notes and other derivatives hid the losses, ultimately resulting in charges of fraud and money laundering, with the CEO going to prison.

In 2001, an energy company used a number of irregular accounting practices and complex special purpose entities in an effort to enhance its profitability. This case also resulted in prison sentences for key executives for fraud, conspiracy, and insider trading, resulting in the country's largest bankruptcy at the time.

One year later, the bankruptcy of a telecom company surpassed the energy company as the country's largest bankruptcy, again resulting from fraudulent accounting.

The global financial crisis of 2008 unearthed numerous frauds, bankruptcies, and Ponzi schemes around the world, one of which occurred in the IT services industry, with the chairman of a leading company admitting to manipulating the company's books.

Lastly, in an egregious example of government interference, a coking coal producer was summoned to a meeting by the sitting prime minister of a country, who was upset that rising input costs for steelmakers were contributing to inflationary pressures. When the CEO of the company failed to show up to the meeting, citing a sudden illness, the prime minister responded with a veiled threat, noting that he "should get better as quick as possible, otherwise we'll have to send him a doctor."

None of the aforementioned cases occurred in a frontier market.

While poor governance practices can occur in certain frontier market companies, and we are not apologists for the offenders, these acts of outright fraud and government interference took place in developed Europe, the US, and emerging markets, respectively.

Investors (wrongly, in our view) tend to leap to the conclusion that because frontier economies are less developed, fraud, government interference, and poor governance are commonplace. At face value, this is not the case. A composite corporate governance score based on board composition, executive pay, ownership, and accounting practices reveals a higher ranking for MSCI Frontier than that of the Russell 2000 in the US.

At the country level, while economies such as New Zealand, Singapore, Norway, the UK and the US continue to be models for the rest of the world to follow in many respects, frontier markets hold their own in the World Bank’s “Ease of Doing Business” rankings, with Georgia, Kazakhstan, Romania, and the Baltic countries featuring prominently in the top 50.

Digging deeper into the components of these rankings, we find that frontier markets such as Kazakhstan, Pakistan, Mongolia, Georgia, Colombia, and Nigeria all outrank the US in terms of the protection of minority investors. Sri Lanka and Argentina also cracked the top 50.

In terms of contract enforcement, Kazakhstan, Georgia, Romania, and Argentina all ranked among the top 50 in the world.

Within our fundamental assessment at the corporate level, governance practices can enhance our investment case, or conversely result in a lower portfolio weighting or outright avoidance of a stock. The analysis we conduct on this front takes on a number of characteristics.

In general, we like to see boards of directors with meaningful representation from independent members, as opposed to corporate insiders or family members. We also look for management’s interests to be aligned with our interests as minority shareholders, and for managerial compensation to be driven by key performance indicators related to profitability, as opposed to top-line growth that may not generate profits that accrue to minority shareholders, or other metrics that can be easily manipulated.

Exhibit 1: Ease of Doing Business rankings

Economy	Ease of Doing Business Rank
New Zealand	1
Singapore	2
Denmark	3
Hong Kong SAR, China	4
Korea, Rep	5
Norway	6
United Kingdom	7
United States	8
Sweden	9
Macedonia, FYR	10
Taiwan, China	11
Estonia	12
Finland	13
Latvia	14
Australia	15
Georgia	16
Germany	17
Ireland	18
Austria	19
Iceland	20
Lithuania	21
Canada	22
Malaysia	23
Poland	24
Portugal	25
United Arab Emirates	26
Czech Republic	27
Netherlands	28
France	29
Slovenia	30
Switzerland	31
Spain	32
Slovak Republic	33
Japan	34
Kazakhstan	35
Romania	36
Belarus	37
Armenia	38
Bulgaria	39
Russian Federation	40
Hungary	41
Belgium	42
Croatia	43
Moldova	44
Cyprus	45
Thailand	46
Mexico	47
Serbia	47
Mauritius	49
Italy	50

Source: World Bank

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.

Driehaus Securities LLC, Distributor

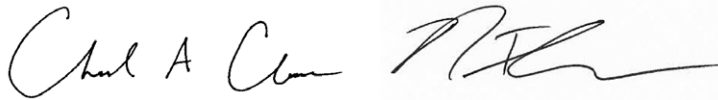
If management has value accretive projects in its sights, we prefer that they deploy capital to tap into the tremendous growth opportunities in frontier markets. However, we also value managements that return excess profits to shareholders through dividends, and have increasingly seen this trend in frontier markets, with many of our portfolio holdings carrying dividend yields in excess of 5%.

While we are not forensic accountants by trade, we look for transparency in accounting practices, and have seen gradual improvements unfold in accounting practices over the years. Attached at the end of this month's commentary is the most recent quarterly income statement from a leading healthcare company based in Georgia. The level of disclosure and ease of analysis stands in marked contrast to a well-known Cana-

dian healthcare company, whose aggressive use of non-GAAP accounting, "adjusted" metrics, and mountains of footnotes fooled many high profile fund managers over the past few years. The bottom line is that "less developed" does not equate to "less transparent."

While we acknowledge that corporate governance in frontier markets is not perfect, we do not view these markets as the "wild wild west" that many investors presume them to be in this regard. Having witnessed the evolution of governance standards across emerging and frontier markets over the past decade, we see a continued maturation of practices employed by the corporate sector, along with an increasing ability in investors to distinguish and reward companies which stand out in a positive manner.

Until next month,



Chad Cleaver
Lead Portfolio Manager

Rich Thies
Portfolio Manager

Appendix 1. Income Statement for a Georgian Healthcare Company

Income Statement, half-year	Healthcare services			Pharma		Medical insurance			Eliminations		GHG	
	1H17	1H16	Change, Y-o-Y	1H17	(May-June) 1H16	1H17	1H16	Change, Y-o-Y	1H17	1H16	1H17	1H16
<i>GEL thousands; unless otherwise noted</i>												
Revenue, gross	132,948	119,230	11.5%	222,341	30,691	27,375	29,128	-6.0%	(11,616)	(4,800)	371,048	174,249
Corrections & rebates	(1,283)	(1,134)	13.1%	-	-	-	-	-	-	-	(1,283)	(1,134)
Revenue, net	131,665	118,096	11.5%	222,341	30,691	27,375	29,128	-6.0%	(11,616)	(4,800)	369,765	173,115
Costs of services	(75,429)	(64,397)	17.1%	(169,230)	(25,059)	(25,452)	(26,836)	-5.2%	10,118	4,746	(259,993)	(111,546)
Cost of salaries and other employee benefits	(47,438)	(39,609)	19.8%	-	-	-	-	-	1,784	1,659	(45,654)	(37,950)
Cost of materials and supplies	(20,707)	(18,841)	9.9%	-	-	-	-	-	2,945	789	(17,762)	(18,052)
Cost of medical service providers	(806)	(829)	-2.8%	-	-	-	-	-	31	35	(775)	(794)
Cost of utilities and other	(6,478)	(5,118)	26.6%	-	-	-	-	-	244	214	(6,234)	(4,904)
Net insurance claims incurred	-	-	-	-	-	(23,748)	(24,956)	-4.8%	5,114	2,049	(18,634)	(22,907)
Agents, brokers and employee commissions	-	-	-	-	-	(1,704)	(1,880)	-9.4%	-	-	(1,704)	(1,880)
Cost of pharma - wholesale	-	-	-	(45,485)	(6,345)	-	-	-	-	-	(45,485)	(6,345)
Cost of pharma - retail	-	-	-	(123,745)	(18,514)	-	-	-	-	-	(123,745)	(18,514)
Gross profit	56,236	53,699	4.7%	53,111	5,632	1,923	2,292	-16.1%	(1,498)	(54)	109,772	61,569
Salaries and other employee benefits	(15,175)	(11,369)	33.5%	(19,300)	(2,690)	(2,020)	(2,147)	-5.9%	343	54	(36,152)	(16,152)
General and administrative expenses	(8,236)	(5,479)	50.3%	(15,991)	(2,480)	(873)	(1,309)	-33.3%	348	-	(24,752)	(9,268)
Impairment of receivables	(2,013)	(1,978)	1.8%	(131)	-	(230)	(238)	-3.4%	250	-	(2,124)	(2,216)
Other operating income	4,302	115	NMF	(82)	92	(25)	(129)	-80.6%	216	-	4,411	78
EBITDA	35,114	34,988	0.4%	17,607	554	(1,225)	(1,531)	-20.0%	(341)	-	51,155	34,011
EBITDA margin	26.4%	29.3%		7.9%	1.8%	-4.5%	-5.3%				12.8%	19.5%
Depreciation and amortisation	(10,713)	(8,382)	27.8%	(1,176)	(258)	(464)	(406)	14.3%	-	-	(12,353)	(9,046)
Net interest income (expense)	(8,551)	(5,258)	62.6%	(5,980)	(427)	(416)	560	NMF	-	-	(14,947)	(5,125)
Net gains/(losses) from foreign currencies	1,813	(2,122)	NMF	1,915	(272)	36	170	-78.8%	-	-	3,764	(2,224)
Net non-recurring income/(expense)	(2,531)	157	NMF	(882)	-	(198)	(973)	-79.7%	341	-	(3,270)	(816)
Profit before income tax expense	15,132	19,383	-21.9%	11,484	(403)	(2,267)	(2,180)	4.0%	-	-	24,349	16,800
Income tax benefit/(expense)	(11)	28,105	NMF	214	-	(310)	320	NMF	-	-	(107)	28,425
<i>of which: Deferred tax adjustments</i>	-	29,311		-	-	-	-		-	-	-	29,311
Profit for the period	15,121	47,488	-68.2%	11,698	(403)	(2,577)	(1,860)	38.5%	-	-	24,242	45,225
<i>Attributable to:</i>												
- shareholders of the Company	11,400	39,939	-71.5%	6,181	(403)	(2,577)	(1,860)	38.5%	-	-	15,004	37,676
- non-controlling interests	3,721	7,549	-50.7%	5,517	-	-	-		-	-	9,238	7,549
<i>of which: Deferred tax adjustments</i>	-	5,057		-	-	-	-		-	-	-	5,057

Source: GHG Internal Reporting

% MONTH-END ANNUAL TOTAL RETURN (as of 8/31/17)

	MTH	YTD	1 Year	Inception ¹
Driehaus Frontier Emerging Markets Fund	-0.28	11.09	11.02	2.87
MSCI Frontier Markets Index ² (ND) (Benchmark)	3.68	22.35	26.10	2.86
MSCI Frontier Markets Index ² (GD)	3.70	22.73	26.60	3.31

% QUARTER-END ANNUAL TOTAL RETURN (as of 6/30/17)

	QTR	YTD	1 Year	Inception ¹
Driehaus Frontier Emerging Markets Fund	4.23	10.88	14.51	3.01
MSCI Frontier Markets Index ² (ND) (Benchmark)	6.13	15.57	19.22	0.41
MSCI Frontier Markets Index ² (GD)	6.27	15.89	19.70	0.86

% CALENDAR YEAR RETURN (Since Inception)

■ Driehaus Frontier Emerging Markets Fund
 ■ MSCI Frontier Markets Index (ND)²
 ■ MSCI Frontier Markets Index GD)²



	2015*	2016
■	-12.00	9.26
■	-14.81	2.66
■	-14.62	3.16

*5/4/15 - 12/31/15

ANNUAL FUND OPERATING EXPENSES³

Management fee:	1.50%
Other expenses:	1.00%
Acquired Fund Fees and Expenses	0.01%
Total annual fund operating expenses:	2.51%
Expense Reimbursement:	(0.50%)
Total Annual Fund Operating Expenses After Expense Reimbursement:	2.01%⁴

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	73	115
Weighted Avg. Market Cap (M)	\$3,736	\$5,186
Median Market Cap (M)	\$1,779	\$1,861
Est. 3-5 Year EPS Growth	17.8%	27.5%
Active Share	69.04	n/a
Market Cap Breakout (%)		
< \$5 billion	75.2	59.9
\$5 - \$15 billion	24.8	40.1
> \$15 billion	0.0	0.0

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
 Data as of 8/31/17.

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.

¹Inception date: 5/4/2015. ²The 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. ³Represents 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. ⁴Driehaus 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	7.1	19.6	Oman	0.0	3.2
Bahrain	0.0	4.0	Pakistan	9.6	0.0
Bangladesh	13.6	2.4	Poland	0.9	0.0
Botswana	0.9	0.0	Romania	6.7	3.9
Colombia	0.8	0.0	Saudi Arabia	4.1	0.0
Croatia	0.7	1.5	Senegal	1.1	0.9
Egypt	1.6	0.0	Slovenia	0.0	1.7
Estonia	0.9	0.4	Serbia	0.0	0.2
Georgia	0.6	0.0	Sri Lanka	1.5	1.4
Ghana	0.3	0.0	Tanzania	0.8	0.0
Ivory Coast	0.0	0.2	Thailand	2.9	0.0
Jordan	1.4	1.3	Togo	0.0	0.3
Kazakhstan	1.8	2.0	Tunisia	0.0	0.5
Kenya	2.6	5.2	UAE	3.5	0.0
Kuwait	10.2	19.1	United Kingdom	1.6	0.0
Lebanon	0.0	2.6	United States	0.0	0.8
Lithuania	0.0	0.1	Vietnam	13.7	9.9
Mauritius	0.0	2.8	Cash	5.0	0.0
Morocco	1.4	8.2			
Nigeria	4.8	7.9			

SECTOR WEIGHTS(%)

	Fund	Benchmark	Active Weights
Consumer Discretionary	10.6	1.0	9.6
Consumer Staples	8.3	9.7	-1.4
Energy	4.3	7.7	-3.3
Financials	39.3	46.3	-7.0
Health Care	6.1	2.9	3.2
Industrials	9.8	4.3	5.5
Information Technology	0.0	0.0	0.0
Materials	5.3	4.9	0.4
Real Estate	1.4	4.5	-3.1
Telecomm. Services	7.3	13.9	-6.6
Utilities	2.5	3.8	-1.3
Cash	5.0	0.0	5.0

TOP 5 HOLDINGS¹ (as of 7/31/17)

Company	Sector	Country	% of Fund
National Bank of Kuwait K.S.C.	Financials	Kuwait	4.5
Brac Bank Limited	Financials	Bangladesh	3.8
Human Soft Holding Co. KSCC	Consumer Discretionary	Kuwait	3.1
Banca Transilvania SA	Financials	Romania	2.9
United Bank Limited	Financials	Pakistan	2.8

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 8/31/17. Benchmark: MSCI Frontier Markets Index (ND)
¹Holdings subject to change.

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 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.