

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 million

FIRM ASSETS UNDER MANAGEMENT

\$9.0 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



The macro backdrop for frontier continues to feature a high degree of dispersion, with several key developments occurring throughout the third quarter.

Shortly following Pakistan's upgrade by MSCI to emerging market status, the stock market suffered its biggest drawdown in years, with a peak to trough decline in the Karachi Stock Exchange of 19%, placing Pakistan within a whisker of bear market territory. While the ouster of Prime Minister Nawaz Sharif was the proximate cause for the correction, building twin deficits have led to a growing consensus for a modest currency devaluation. Cooling US-Pakistan relations, featuring stepped up rhetoric regarding Afghanistan and a highly punitive fine of a Pakistani bank operating in the US, served to worsen matters for Pakistani stocks.

From a medium-term perspective, the drivers of the Pakistan investment case have not been materially altered, despite the recent market turbulence. With a young population approaching 200 million inhabitants, Pakistan features a growing middle class. The historical deficiencies in infrastructure are in the process of being addressed through the China-Pakistan Economic Corridor, and the strategic location of the Gwadar Port along the Arabian Sea, which is enticing foreign companies to consider Pakistan as a production hub for their broader Asian operations.

Elsewhere, Kenya and Argentina held key elections during the quarter. In a result that surprised few, Kenyan President Uhuru Kenyatta was elected for a second term in August. However, a major twist unfolded when the Supreme Court annulled the outcome. Aside from a longstanding position in the leading telecom/mobile money franchise, we have been out of Kenya for the past several months. Following last year's regulatory caps on bank lending rates, the renewed political uncertainty poses a threat to the risk premium for Kenyan equities.

Argentina went to the polls for primary elections in mid-August, with two key outcomes. First, ruling party Cambiemos fared better than expected, an important validation of the reform agenda being pursued in the country. Second, the momentum for a potential return of Cristina Fernandez de Kirchner (CFK), the longtime Peronist leader who was replaced by current president Mauricio Macri in 2015, stalled as CFK came into the election with a strong chance to win a Senate seat, but emerged in a technical tie CFK now finds herself trailing the Cambiemos candidate heading into the October midterm elections. With labor, tax, and pension reform still on Macri's agenda, there remains potential for bumps along the path to reform, but the government's gradual approach has enabled it to maintain a favorable view among the broader populace.

On the regulatory front, Romania suffered from two ill-advised attempts by the government to shore up its fiscal deficit. First, interference in the pension system, through discussions of nationalization or deferring pension contributions, sent a negative signal. This was followed up by the proposal of a bank tax, which would theoretically wipe out a material portion of earnings in a key sector for the equity market. In our July commentary, we highlighted some of the building risks on the fiscal front, and have reduced our exposure to market-weight, after having been overweight for the past few years. We visited Romania in mid-September and will further expand on our views of the market next month.

Performance Review

The Driehaus Frontier Emerging Markets Fund returned 1.04% in September, compared to the MSCI Frontier Markets Index return of 2.04%.¹

At the sector level, the most significant contributors to returns were industrials and telecommunication services. The financials and energy sectors detracted the most value. At the country level, Thailand and Kenya added the most value for the month. Argentina and Bangladesh were notable detractors from returns.

Portfolio Positioning and Outlook

Amid a recovery in oil prices and a potential bottoming out in interest rates, we have selectively continued to increase exposure to the Middle East, although we remain heavily underweight the region, owing to a relative lack of attractive opportunities. We broadly continue to favor companies exposed to the medium-term development of domestic demand in fast-growing markets such as Vietnam and Bangladesh.

While frontier markets have continued to recover over the past two years alongside emerging markets, frontier lacks the exposure to the disruptive technology companies found in EM, while also maintaining lower sensitivity to the sharp decline in the US dollar that has bolstered the total return of EM for dollar-based investors.

Nonetheless, frontier markets remain an attractive source of differentiated returns, in our view, maintaining low volatility in aggregate, despite some of the political twists and turns outlined above. This is principally due to the low intra-country correlation observed in the broader index, along with the relatively sticky capital that is devoted to frontier markets. Amid the current low inflation scenario, we find healthy growth prospects in a number of domestically-driven companies, along with an improving backdrop in some of the commodity-sensitive countries which have been laggards over the past several years.

Until next month,



Chad Cleaver
Lead Portfolio Manager



Rich Thies
Portfolio Manager

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 October 9, 2017 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since October 9, 2017 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 9/30/17)

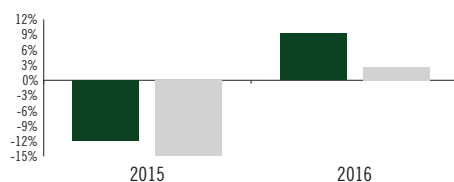
	MTH	YTD	1 Year	Inception ¹
Driehaus Frontier Emerging Markets Fund	1.04	12.24	11.25	3.21
MSCI Frontier Markets Index (ND) ²	2.04	24.86	25.47	3.63

% QUARTER-END ANNUAL TOTAL RETURN (as of 9/30/17)

	QTR	YTD	1 Year	Inception ¹
Driehaus Frontier Emerging Markets Fund	1.23	12.24	11.25	3.21
MSCI Frontier Markets Index ² (ND)	8.03	24.86	25.47	3.63

% CALENDAR YEAR RETURN (Since Inception)

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



	2015*	2016
■	-12.00	9.26
■	-14.81	2.66

*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)	\$3,948	\$5,376
Median Market Cap (M)	\$1,953	\$1,895
Est. 3-5 Year EPS Growth	19.3%	23.8%
Active Share	71.09	n/a
Market Cap Breakout (%)		
< \$5 billion	71.0	53.5
\$5 - \$15 billion	29.0	46.5
> \$15 billion	0.0	0.0

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
 Data as of 9/30/17.

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. 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 (%)						SECTOR WEIGHTS(%)			
	Fund	Benchmark		Fund	Benchmark		Fund	Benchmark	Active Weights
Argentina	11.3	20.1	Nigeria	6.0	7.7	Consumer Discretionary	12.4	0.9	11.6
Bahrain	0.0	3.9	Oman	0.0	3.3	Consumer Staples	7.9	9.6	-1.7
Bangladesh	13.3	2.4	Pakistan	8.9	0.0	Energy	4.3	8.0	-3.6
Botswana	0.9	0.0	Poland	0.8	0.0	Financials	39.3	46.6	-7.3
Colombia	0.8	0.0	Romania	5.4	3.7	Health Care	5.4	2.9	2.5
Croatia	0.6	1.4	Saudi Arabia	4.5	0.0	Industrials	11.0	4.2	6.7
Egypt	2.2	0.0	Senegal	1.1	0.9	Information Technology	0.7	0.9	-0.3
Estonia	0.8	0.4	Slovenia	0.0	1.6	Materials	4.8	4.8	0.0
Georgia	0.5	0.0	Serbia	0.0	0.2	Real Estate	0.0	0.0	0.0
Ghana	0.3	0.0	Sri Lanka	1.6	1.4	Telecomm. Services	7.1	13.7	-6.6
Ivory Coast	0.0	0.2	Tanzania	0.8	0.0	Utilities	3.9	3.9	0.0
Jordan	1.4	1.2	Thailand	2.8	0.0	Cash	3.2	0.0	3.2
Kazakhstan	1.6	1.9	Togo	0.0	0.3				
Kenya	2.5	4.8	Tunisia	0.0	0.4				
Kuwait	10.8	19.0	UAE	2.2	0.0				
Lebanon	0.0	2.5	United Kingdom	1.3	0.0				
Lithuania	0.0	0.1	United States	0.0	0.9				
Luxembourg	0.0	0.9	Vietnam	12.9	10.1				
Mauritius	0.0	2.9	Cash	3.2	0.0				
Morocco	1.6	7.7							

TOP 5 HOLDINGS¹ (as of 8/31/17)

Company	Sector	Country	% of Fund
National Bank of Kuwait K.S.C.	Financials	Kuwait	5.3
Brac Bank Limited	Financials	Bangladesh	3.3
Human Soft Holding Co. KSCC	Consumer Discretionary	Kuwait	3.3
Beauty Community PCL NVDR	Consumer Discretionary	Thailand	2.9
United Bank Limited	Financials	Pakistan	2.7

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 9/30/17. Benchmark: MSCI Frontier Markets Index (ND)

Driehaus Securities LLC, Distributor

¹Holdings subject to change.

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.