

# 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

\$73.2 million

## FIRM ASSETS UNDER MANAGEMENT

\$8.0 billion

## INVESTMENT UNIVERSE

Frontier markets all cap equity

## INVESTMENT STYLE

Growth equity

## PORTFOLIO MANAGERS



**Chad Cleaver, CFA**  
Lead Portfolio Manager  
14 years experience



**Richard Thies**  
Portfolio Manager  
9 years of investment experience

The macro landscape for global equities in the fourth quarter was defined by the resurgence of the US dollar, rising interest rates, and a reflationary backdrop, while the US elections held particular significance across asset classes. In the following pages, we discuss the effect of each on the fund's performance, positioning and outlook.

## US Elections

The most significant implication of a Trump presidency for frontier markets is the inward-looking posture of US trade and foreign policy. At first glance, this may appear to be negative for a market like Vietnam, which has benefited from increasing foreign direct investment and prospective gains from the heavily debated Trans-Pacific Partnership (TPP).

In the months leading up to the election, TPP was challenged by both presidential candidates who expressed their opposition to the trade deal. However, Vietnamese equities are much more than a proxy for TPP. The country maintains favorable demographics and a growing consumer base, while benefiting from foreign direct investment (FDI) that is less about taking advantage of trade deals and more about tapping into a growing labor pool and strong regional end markets. While we have reduced the fund's Vietnam weighting over the past several months, we remain optimistic on the medium-term outlook for the market and continue to find new ideas there.

Additionally, as the US looks poised to step back from its pivot to Asia, the growing influence of China remains an important development for frontier markets. The landmark China-Pakistan Economic Corridor, announced in 2014, was a step toward China wielding more formal influence in the region, both from an economic and a geopolitical perspective. The growth of initiatives such as One Belt, One Road and the Asian Infrastructure Investment Bank are also symbolic of China's increasing rate of outbound FDI, which can benefit numerous countries in Central and South Asia. While TPP looks dead-on-arrival, China's President Xi Jinping declared at the recent APEC Summit that "China will not shut the door to the outside world but will open it even wider." China has played a central role in negotiations surrounding the proposed Regional Comprehensive Economic Partnership, a trade deal that would encompass 16 nations and cover nearly half of the world's population.



Finally, energy policy will be an important factor as the US transitions to a new administration. With the potential for a renewed acceleration of US oil production, there are implications for numerous frontier economies, such as to oil importers Bangladesh and Pakistan, as well as to oil producers such as Nigeria and Saudi Arabia. Following the OPEC production cut agreement in November, we expect a gradual path toward rebalancing to unfold over the coming year as excess oil inventories are worked off. While US shale looks to be the marginal producer in the current environment, we ultimately envision a scenario in which the world will be forced to look to sources such as deepwater and frontier production as rebalancing takes place due to insufficient capital expenditures following the oil price collapse of 2014.

We methodically added to positions in Nigeria during the second half of 2016 and recently established a position in Saudi Arabia. The fund also maintains a position in an oil exploration and development company with a large resource base in Sub-Saharan Africa, where capex was made over the past decade. This has led to considerable free cash flow generation as oil prices have recovered and the heavy investment phase is behind them.

The most positive takeaway for us following the US elections is that frontier markets have demonstrated their role as a portfolio diversifier, with the strategy generating slightly positive performance and relatively low volatility between November 9 and year-end, despite the turbulence that unfolded in many markets around the world.

### **Strengthening US Dollar & Rising Interest Rates**

Currency dispersion remains high across frontier markets following the devaluations of the Egyptian pound and Nigerian naira earlier in the year, in contrast with the relatively stable Bangladeshi taka and Pakistani rupee.

While frontier markets in aggregate do not show alarming signs regarding external debt obligations, several countries in Sub-Saharan Africa remain vulnerable on this front, particularly if commodity prices fail to continue their nascent

recovery. We have taken a cautious approach to investments in Africa, favoring the relative stability of specific holdings in the telecom and banking sectors.

Rising interest rates can of course negatively affect the debt servicing capability of nations with high levels of leverage; however, in the context of our portfolio positioning, we have also seen beneficiaries of higher interest rates. For example, in recent months we have shifted a portion of our allocation within Pakistan away from cement and consumer stocks, which had performed well and where the potential for further earnings acceleration may become more challenging against a higher base, into banking and insurance stocks.

The financial services industry in Pakistan has excellent structural dynamics due to low penetration rates and the potential for strong multi-year growth, but financials had underperformed other sectors within the country in recent years as declining interest rates weighed on their securities investments. Interest rates are now rising and growth in Pakistan is supported by the investments from the China-Pakistan Economic Corridor and improved law and order. This is translating into rising consumer sentiment, benefiting banks and insurance companies.

### **Reflationary Backdrop**

As we have articulated several times in past commentaries, over the past two years the fund has largely been positioned to benefit from falling commodity prices with overweights in commodity-consuming countries such as Bangladesh and Pakistan, offset by underweights in commodity exporters such as Nigeria and the Middle East markets.

Absent a return of a commodities supercycle, which is not our base case, we expect reflation beneficiaries within the fund to be found in selective positions across the energy and materials sectors, and in countries that present attractive recovery growth opportunities. We have added to positions in the energy sector in recent months, and continue to evaluate opportunities to selectively increase the fund's exposure to the Middle East.

## Closing Thoughts

As 2016 came to a close, we had numerous discussions with institutional investors regarding the fund. From these discussions, it is clear that the diversification benefits of frontier markets are increasingly appreciated by asset allocators. Moving into 2017, we continue to believe the case for a frontier markets allocation is strong for the following reasons.

**Low correlations.** The correlation between frontier markets and global equities remains low, with a long-term average of approximately 0.25. With Europe approaching a heavy election calendar, the US attempting a late-cycle handoff from monetary to fiscal stimulus, and questions arising as to whether the multi-decade bond bull market is over, we see a strong case for a less correlated asset such as frontier markets within a portfolio.

**Growth and yield.** Frontier markets provide an attractive combination of growth and yield, both of which are scarce within most areas of the global equity market. Consensus earnings estimates for 2017 imply a 20% growth rate, and frontier economies such as Bangladesh, Vietnam, Cambodia and Georgia are on track to generate 5-7% GDP growth, per IMF forecasts. Further, we continue to find stocks with strong institutional governance and alignment with minority shareholders that are paying dividend yields in the range of 5-10%.

**Valuations.** Frontier markets offer a margin of safety with respect to valuation, along with a structural opportunity to enter an asset class that is set to mature over the coming years. The attractive growth, dividend yield, and correlation benefits come with a forward P/E of 10.6x, well below developed and emerging markets. Additionally, the market cap-to-GDP of the asset class is 3%. This suggests a compelling long-term opportunity as both the economies and the capital markets of frontier countries grow over time.

**Increasing dispersion.** Lastly, we understand that going into 2017, the prospects for continued strength in the US dollar and a follow-through of rising interest rates will be central in asset allocators' discussions. These are factors we continually think about, both qualitatively in our portfolio construction discussions and quantitatively in terms of stress tests.

While frontier markets are not completely immune from sharp rises in interest rate volatility or the US dollar, we believe that these factors will continue to create dispersion within a heterogeneous asset class that offers ample opportunity for gains from asset allocation decisions. Next month, we will outline our country outlook in greater detail and provide our thoughts on where we see such dispersion rising.

Thank you for your interest in the fund, and we wish you a happy and prosperous 2017.

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 January 17, 2016 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since January 17, 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 12/31/16)

	MTH	YTD	1 Year	Inception <sup>1</sup>
<b>DrieHaus Frontier Emerging Markets Fund</b>	<b>2.61</b>	<b>9.26</b>	<b>9.26</b>	<b>-2.34</b>
MSCI Frontier Markets Index <sup>2</sup> (ND) (Benchmark)	2.72	2.66	2.66	-7.84
MSCI Frontier Markets Index <sup>2</sup> (GD)	2.75	3.16	3.16	-7.44

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

	QTR	YTD	1 Year	Inception <sup>1</sup>
<b>DrieHaus Frontier Emerging Markets Fund</b>	<b>-0.88</b>	<b>9.26</b>	<b>9.26</b>	<b>-2.34</b>
MSCI Frontier Markets Index <sup>2</sup> (ND) (Benchmark)	0.49	2.66	2.66	-7.84
MSCI Frontier Markets Index <sup>2</sup> (GD)	0.54	3.16	3.16	-7.44

**PORTFOLIO CHARACTERISTICS**

	Fund	Benchmark
Number of Holdings	92	123
Weighted Avg. Market Cap (M)	\$2,399	\$4,181
Median Market Cap (M)	\$901	\$1,659
Est. 3-5 Year EPS Growth	14.6%	9.6%
Active Share	75.53	n/a
<b>Market Cap Breakout</b>		
< \$5 billion	87.6%	70.5%
\$5 - \$15 billion	12.4%	29.5%
> \$15 billion	0.0%	0.0%

**ANNUAL FUND OPERATING EXPENSES<sup>4</sup>**

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%)
<b>Total Annual Fund Operating Expenses After Expense Reimbursement:</b>	<b>2.02%<sup>5</sup></b>

**TOP 5 HOLDINGS<sup>3</sup>** (as of 11/30/16)

Company	Sector	Country	% of Fund
Safaricom Limited	Telecom. Services	Kenya	4.2%
Banca Transilvania SA	Financials	Romania	3.5%
Banco Macro SA Sponsored ADR Class B	Financials	Argentina	3.4%
Zenith Bank PLC	Financials	Nigeria	2.8%
Brac Bank Limited	Financials	Bangladesh	2.8%

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
Data as of 12/31/16.

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](http://www.driehaus.com) for more current performance information.

<sup>1</sup>Inception date: 5/4/2015. <sup>2</sup>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. <sup>3</sup>Holdings subject to change. <sup>4</sup>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. <sup>5</sup>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	6.5%	13.6%	Panama	1.0%	0.0%
Bahrain	0.0%	3.1%	Poland	1.0%	0.0%
Bangladesh	14.1%	2.3%	Qatar	0.8%	0.0%
Botswana	0.6%	0.0%	Romania	7.7%	3.7%
Canada	0.4%	0.0%	Saudi Arabia	1.7%	0.0%
Colombia	1.7%	0.0%	Senegal	0.9%	1.0%
Croatia	1.1%	1.4%	Singapore	0.8%	0.0%
Egypt	3.4%	0.0%	Slovenia	0.0%	1.6%
Estonia	0.9%	0.4%	Serbia	0.0%	0.2%
Georgia	0.9%	0.0%	Sri Lanka	3.1%	1.5%
Ivory Coast (Cote D'ivoire)	0.0%	0.2%	Tanzania	0.9%	0.0%
Jordan	0.0%	1.5%	Thailand	1.7%	0.0%
Kazakhstan	0.0%	1.6%	Togo	0.0%	0.2%
Kenya	5.9%	4.4%	Tunisia	0.0%	0.5%
Kuwait	0.8%	18.0%	United Arab Emirates	2.7%	0.0%
Lebanon	0.0%	3.3%	United Kingdom	5.5%	0.0%
Lithuania	0.0%	0.1%	United States	1.0%	1.0%
Mauritius	0.0%	2.9%	Vietnam	8.8%	7.4%
Morocco	1.2%	8.7%	Cash	4.3%	0.0%
Nigeria	5.4%	7.1%			
Oman	0.0%	4.2%			
Pakistan	15.4%	10.2%			

## SECTOR WEIGHTS

	Fund	Benchmark		Active Weights
Consumer Discretionary	4.4%	1.2%		3.2%
Consumer Staples	7.9%	8.8%	-0.9%	
Energy	2.7%	8.3%	-5.6%	
Financials	40.3%	44.7%	-4.4%	
Health Care	5.5%	2.6%		2.9%
Industrials	8.4%	3.1%		5.3%
Information Technology	0.0%	0.8%	-0.8%	
Materials	9.8%	8.2%		1.6%
Real Estate	2.0%	4.8%	-2.8%	
Telecomm. Services	7.7%	13.9%	-6.2%	
Utilities	5.3%	3.6%		1.7%
Cash	4.3%	0.0%		4.3%
Unassigned	1.7%	0.0%		1.7%

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
Data as of 12/31/16. 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](http://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.

## SECTOR PERFORMANCE ATTRIBUTION 4th Quarter — 9/30/16 to 12/31/16

MSCI/GICS Sector	Driehaus Frontier Emerging Markets Fund (Port) (%)		MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Consumer Discretionary	4.38	1.24	1.21	-0.07	-0.20	1.47	1.29
Consumer Staples	8.62	-0.54	9.55	-0.87	0.08	0.25	0.33
Energy	1.80	0.08	8.55	-0.13	0.18	0.17	0.23
Financials	38.54	-0.44	44.72	0.93	-0.08	-0.48	-1.36
Health Care	5.02	0.17	2.78	-0.32	-0.19	0.70	0.47
Industrials	8.49	-0.10	3.06	0.22	0.43	-0.06	-0.34
Information Tech.	0.00	0.00	1.03	-0.24	0.26	0.00	0.24
Materials	10.41	0.02	8.18	0.46	0.05	-0.60	-0.43
Real Estate	2.84	-0.69	5.09	0.03	0.05	-0.26	-0.70
Telecomm. Services	7.60	-0.17	13.63	0.53	-0.21	-0.46	-0.65
Utilities	5.71	0.12	2.20	-0.05	-0.16	0.29	0.23
Cash	6.39	-0.59	0.00	0.00	-0.68	0.00	-0.68
Unassigned*	0.20	0.11	0.00	0.00	0.10	0.00	0.09
<b>Total</b>	<b>100.00</b>	<b>-0.79</b>	<b>100.00</b>	<b>0.49</b>	<b>-0.38</b>	<b>1.02</b>	<b>-1.27</b>

Data as of 12/31/16

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

<sup>1</sup>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.

Copyright MSCI 2017. All Rights Reserved. Without prior written permission of MSCI, this information and any other MSCI intellectual property may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis, and the user of this information assumes the entire risk of any use made of this information. Neither MSCI, each of its affiliates nor any third party involved in or related to the computing, compiling or creating of any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages relating to any use of this information.

Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. Definitions of the attribution analysis can be found on page 8. \*Unassigned refers to securities that are not recognized by FactSet.

## SECTOR PERFORMANCE ATTRIBUTION 1-Year— 12/31/15 to 12/31/16

MSCI/GICS Sector	Driehaus Frontier Emerging Markets Fund (Port) (%)		MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Consumer Discretionary	3.56	1.70	1.01	0.25	0.40	0.90	1.42
Consumer Staples	11.99	0.53	7.89	-3.63	-0.19	1.55	4.01
Energy	2.58	0.46	9.25	0.73	-0.35	0.39	-0.05
Financials	35.86	2.20	47.05	1.07	0.22	2.36	2.04
Health Care	4.48	1.20	3.12	-0.24	-0.18	1.81	1.44
Industrials	6.58	1.00	3.17	0.40	0.51	0.46	0.45
Information Tech.	0.00	0.00	0.79	-0.17	0.25	0.00	0.18
Materials	9.97	2.26	7.89	0.73	0.10	0.55	1.43
Real Estate	3.87	-0.21	4.65	0.59	0.06	-0.28	-0.78
Telecomm. Services	7.16	1.11	13.62	2.55	-0.63	-0.27	-1.13
Utilities	6.46	2.00	1.57	0.32	0.91	0.43	1.62
Cash	7.29	-2.57	0.00	0.00	-3.49	0.00	-3.51
Unassigned*	0.20	-0.47	0.00	0.00	-0.46	0.00	-0.48
<b>Total</b>	<b>100.00</b>	<b>9.25</b>	<b>100.00</b>	<b>2.60</b>	<b>-2.86</b>	<b>7.89</b>	<b>6.65</b>

Data as of 12/31/16

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eInvestment Alliance

<sup>1</sup>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.

Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. Definitions of the attribution analysis can be found on page 8. \*Unassigned refers to securities that are not recognized by FactSet.



**COUNTRY PERFORMANCE ATTRIBUTION** 4th Quarter — 9/30/16 to 12/31/16

MSCI Country	Drieaus Frontier Emerging Markets Fund (Port) (%)			MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)			Attribution Analysis (%)		
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg. Weight	Bench Total Return	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Argentina	8.31	-9.84	-0.87	13.79	-12.50	-1.84	0.83	0.32	1.07
Bahrain	0.00	0.00	0.00	2.96	0.21	0.01	0.02	0.00	0.01
Bangladesh	12.69	3.86	0.51	2.37	3.38	0.08	0.19	0.04	0.37
Botswana	0.57	-1.13	-0.01	0.00	0.00	0.00	-0.01	0.00	-0.01
Cambodia	0.17	-7.24	-0.04	0.00	0.00	0.00	-0.05	0.00	-0.04
Canada	0.37	-20.90	-0.09	0.00	0.00	0.00	-0.08	0.00	-0.09
Colombia	1.49	-2.53	-0.03	0.00	0.00	0.00	0.00	0.00	-0.04
Croatia	1.01	-2.53	-0.03	1.44	-3.21	-0.05	-0.01	0.01	0.02
Egypt	4.13	-16.06	-0.68	0.00	0.00	0.00	0.94	0.00	-0.69
Estonia	0.86	-4.54	-0.04	0.42	-4.21	-0.02	0.00	0.00	-0.02
Georgia	0.77	14.72	0.09	0.00	0.00	0.00	0.11	0.00	0.08
Ivory Coast (Cote D'ivoire)	0.00	0.00	0.00	0.07	0.81	0.00	0.00	0.00	0.00
Jersey	0.52	-16.51	-0.17	0.00	0.00	0.00	-0.15	0.00	-0.15
Jordan	0.00	0.00	0.00	1.31	5.61	0.07	-0.04	0.00	-0.06
Kazakhstan	0.00	0.00	0.00	1.71	-0.81	-0.02	0.05	0.00	0.02
Kenya	6.79	-6.83	-0.49	4.71	-5.73	-0.28	-0.15	-0.07	-0.21
Kuwait	0.10	-0.02	0.00	17.81	10.89	1.85	-1.77	0.01	-1.79
Lebanon	0.00	0.00	0.00	3.44	8.89	0.29	-0.22	0.00	-0.27
Lithuania	0.00	0.00	0.00	0.13	-5.00	-0.01	0.00	0.00	0.01
Mauritius	0.00	0.00	0.00	3.04	-2.98	-0.10	0.11	0.00	0.11
Morocco	1.05	6.74	0.07	8.48	10.74	0.86	-0.91	-0.04	-0.76
Nigeria	4.77	-0.79	-0.02	7.27	-4.13	-0.33	0.17	0.17	0.30
Oman	0.00	0.00	0.00	4.03	1.97	0.09	-0.01	0.00	-0.07
Pakistan	13.57	18.72	2.38	9.59	16.20	1.46	0.53	0.29	0.88
Panama	0.97	49.53	0.42	0.00	0.00	0.00	0.40	0.00	0.42
Poland	0.39	-1.94	0.00	0.00	0.00	0.00	0.01	0.00	-0.01
Qatar	0.65	6.34	0.04	0.00	0.00	0.00	0.03	0.00	0.04
Romania	7.01	-7.58	-0.54	3.55	-4.54	-0.16	0.03	-0.20	-0.40
Saudi Arabia	0.99	42.14	0.34	0.00	0.00	0.00	0.32	0.00	0.33
Senegal	0.81	3.20	0.03	0.32	3.57	0.03	0.05	0.00	0.02
Singapore	1.14	-6.61	-0.08	0.00	0.00	0.00	-0.03	0.00	-0.08
Slovenia	0.00	0.00	0.00	1.74	-17.38	-0.35	0.28	0.00	0.36
Serbia	0.00	0.00	0.00	0.20	13.36	0.03	-0.03	0.00	-0.02
Sri Lanka	2.90	-1.93	-0.06	1.63	-4.76	-0.08	-0.08	0.09	0.01
Tanzania	0.84	-7.69	-0.07	0.00	0.00	0.00	-0.08	0.00	-0.07
Thailand	2.24	32.04	0.67	0.00	0.00	0.00	0.71	0.00	0.67
Togo	0.00	-1.58	0.00	0.24	-10.60	-0.03	0.03	0.00	0.03
Tunisia	0.00	0.00	0.00	0.52	-5.03	-0.03	0.01	0.00	0.03
United Arab Emirates	2.47	3.08	0.06	0.00	0.00	0.00	0.05	0.00	0.03
United Kingdom	4.82	0.97	0.12	0.00	0.00	0.00	0.20	0.00	0.08
United States	1.09	-9.09	-0.09	1.07	-9.03	-0.10	0.00	0.00	0.00
Vietnam	10.13	-14.62	-1.63	8.15	-10.41	-0.90	-0.20	-0.57	-0.70
Cash	6.39	-9.77	-0.59	0.00	0.00	0.00	-0.68	0.00	-0.68
<b>Total</b>	<b>100.00</b>	<b>-0.79</b>	<b>-0.79</b>	<b>100.00</b>	<b>0.49</b>	<b>0.49</b>	<b>0.58</b>	<b>0.06</b>	<b>-1.27</b>

Sources: FactSet Research Systems Inc. and Drieaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. **Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only.** <sup>1</sup>A definition of this index can be found on page 6. Definitions of the attribution analysis can be found below.

**ATTRIBUTION ANALYSIS CATEGORIES ARE DEFINED AS:**

**Allocation Effect** - Measures the impact of the decision to allocate assets differently than those in the benchmark.

**Security Selection Effect** - Measures the effect of choosing securities, which may or may not outperform those of the benchmark.

**Interaction Effect** - Jointly measures the effect of allocation and selection decisions.

**Currency Effect** - The currency effect is the portion of the total effect the portfolio manager can potentially influence by using currency hedging.

**Total Effect** - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.



**COUNTRY PERFORMANCE ATTRIBUTION 1-Year — 12/31/15 to 12/31/16**

MSCI Country	Driehaus Frontier Emerging Markets Fund (Port) (%)			MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)			Attribution Analysis (%)		
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg. Weight	Bench Total Return	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Argentina	7.96	14.36	1.54	13.88	5.97	0.97	0.36	0.76	0.87
Bahrain	--	--	--	2.61	2.36	0.07	0.13	--	-0.02
Bangladesh	11.90	7.28	0.49	2.46	10.26	0.24	0.54	-0.76	0.18
Botswana	1.42	-11.18	-0.26	--	--	--	-0.39	--	-0.30
Bulgaria	--	--	--	0.05	-6.46	-0.01	0.02	--	0.01
Cambodia	0.44	-10.11	-0.12	--	--	--	-0.15	--	-0.10
Canada	1.13	-7.44	0.70	--	--	--	0.43	--	0.63
Colombia	0.74	25.06	0.13	--	--	--	0.12	--	0.15
Croatia	0.66	9.48	0.06	1.43	22.02	0.30	-0.11	-0.02	-0.22
Egypt	3.95	-13.98	-0.39	--	--	--	0.45	--	-0.45
Estonia	0.66	5.69	--	0.49	9.58	0.06	-0.09	0.01	-0.08
Georgia	0.68	57.89	0.50	--	--	--	0.52	--	0.47
Hungary	0.21	20.33	0.18	--	--	--	0.13	--	0.17
Ivory Coast (Cote D'ivoire)	--	--	--	0.02	0.81	--	0.01	--	0.01
Jersey	0.33	6.33	0.11	--	--	--	0.22	--	0.14
Jordan	--	--	--	1.01	-1.10	--	0.10	--	0.03
Kazakhstan	--	--	--	1.67	6.72	0.07	0.05	--	-0.04
Kenya	7.58	2.54	0.25	5.20	1.69	0.06	-0.23	0.18	0.07
Kuwait	1.22	-12.88	-0.45	18.81	3.01	0.27	0.80	-0.09	-0.11
Lebanon	--	--	--	3.50	9.24	0.31	-0.01	--	-0.19
Lithuania	--	--	--	0.14	-5.96	-0.01	0.02	--	0.02
Mauritius	--	--	--	2.56	7.16	0.14	0.23	--	-0.10
Morocco	0.84	16.55	0.17	8.00	34.33	2.44	-1.80	-0.06	-2.09
Nigeria	3.91	-19.73	-0.47	9.62	-34.71	-4.46	0.27	0.69	4.09
Oman	--	--	--	4.37	8.81	0.38	-0.04	--	-0.27
Pakistan	13.49	42.25	4.78	9.26	40.38	3.16	1.01	0.31	1.65
Panama	0.36	47.13	0.39	--	--	--	0.37	--	0.38
Peru	0.12	7.32	0.06	--	--	--	0.06	--	0.08
Poland	0.17	-17.24	-0.20	--	--	--	-0.04	--	-0.11
Qatar	0.68	8.02	0.01	--	--	--	-0.02	--	0.01
Romania	6.66	11.55	0.53	3.53	14.07	0.49	0.06	-0.09	-0.04
Saudi Arabia	0.66	2.24	0.28	--	--	--	0.20	--	0.24
Senegal	1.08	0.90	0.01	0.08	3.57	0.03	-0.06	0.01	-0.02
Singapore	0.70	1.29	-0.01	--	--	--	0.03	--	0.01
Slovenia	--	--	--	2.04	-15.99	-0.33	0.46	--	0.41
South Africa	0.60	5.42	0.02	--	--	--	-0.30	--	-0.01
Srb	--	--	--	0.21	12.93	0.02	-0.01	--	-0.01
Sri Lanka	2.77	9.59	-0.12	1.69	-5.03	-0.12	-0.23	0.34	0.02
Suriname	1.08	0.90	0.01	--	--	--	-0.03	--	-0.02
Tanzania	0.70	1.29	-0.01	0.70	1.29	-0.01	0.70	1.29	-0.11
Thailand	--	--	--	--	--	--	--	--	0.01
Togo	0.60	5.42	0.02	0.60	5.42	0.02	0.60	5.42	-0.04
Tunisia	--	--	--	--	--	--	--	--	0.24
Ukraine	2.77	9.59	-0.12	2.77	9.59	-0.12	2.77	9.59	-0.02
United Arab Emirates	0.14	-6.11	0.00	0.14	-6.11	0.00	0.14	-6.11	0.01
United Kingdom	0.70	1.29	-0.01	0.70	1.29	-0.01	0.70	1.29	0.41
United States	--	--	--	--	--	--	--	--	-0.01
Vietnam	0.60	5.42	0.02	0.60	5.42	0.02	0.60	5.42	0.01
Cash	7.29	-21.55	-2.57	--	--	--	-3.51	--	-3.51
<b>Total</b>	<b>100.00</b>	<b>9.25</b>	<b>9.25</b>	<b>100.00</b>	<b>2.60</b>	<b>2.60</b>	<b>2.10</b>	<b>2.92</b>	<b>6.65</b>

Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. **Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only.** <sup>1</sup>A definition of this index can be found on page 6. Definitions of the attribution analysis can be found in the notes on page 8.