



# DRIEHAUS EVENT DRIVEN FUND

May 2014

Ticker: DEVDX

## The Driehaus Event Driven Fund seeks to provide:

- At least two-thirds the return of the S&P 500 Index
- Less than two-thirds the volatility of S&P 500 Index
- A correlation of 0.65 or less with the S&P 500 Index
- Sharpe ratio of 1.0 or greater

## Inception Date

August 26, 2013

## Fund Assets Under Management

\$262 million

## Firm Assets Under Management

\$12.9 billion

## Portfolio Concentration

Flexible, best ideas approach, generally 25-75 trades

## Distributions

Quarterly dividends; annual capital gains

## Portfolio Managers

K.C. Nelson  
Portfolio Manager  
15 years of industry experience

Adam Abbas  
Assistant Portfolio Manager  
8 years of industry experience

Michael Caldwell  
Assistant Portfolio Manager  
6 years of industry experience



## Performance Recap

During May, the Driehaus Event Driven Fund returned -0.28% on a realized volatility of 6.20%.<sup>1</sup> This compares to a 2.35% return of the S&P 500 Index on 8.20% realized volatility. Correlation to the S&P 500 Index dropped to 0.63 for the month. Product cycle events outperformed other event types in the fund and contributed 71 basis points, while portfolio hedges performed the worst and detracted 75 basis points. Moves in our other event categories were immaterial.

There were a total of 54 trades during the month, with 24 trades contributing to performance, 25 trades detracting and five trades immaterial to results. The top three performing trades contributed 131 basis points while the bottom three trades detracted 91 basis points.

## Investment Theme: We're Not Your Front Page Event Fund

# THE WALL STREET JOURNAL.

BUSINESS

## Comcast Acquiring Time Warner Cable in All-Stock Deal Worth \$45 Billion

Proposed Deal Would Combine No. 1 and No. 2 Cable Operators

The front page of The Wall Street Journal has been filled with mega-deal announcements this year, from Comcast's union with Time Warner Cable to Pfizer's takeover attempt of AstraZeneca. These front page deals are all mega caps generally focused on the U.S. market with highly visible sales, endless sell-side coverage, and relatively mature end markets. There's no question that these benchmark deals are important to dissect. They offer insights into everything from the strategic direction of an industry to the underlying health of capital markets. However, we are more likely to position among companies that are rarely mentioned in front page headlines.

One of the fund's key objectives is to provide a differentiated return stream with a low correlation to domestic equity indices. We believe trafficking heavily in these front page mega deals would lower the fund's absolute and risk-adjusted returns. Much like in our long/short credit funds, we find opportunities by targeting the names in smaller headlines on the back pages, where the sell-side coverage is thin, the capitalization smaller, the end markets more dynamic, and, ultimately, where we can find an edge.

### <sup>1</sup>Performance 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. 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 (877) 779-0079 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.**

This goal enables us to differentiate our idea generation process from your typical event fund investment team, which is often driven by generalists who lack specific industry or geographic expertise. These analysts, because of their generalist orientation, are forced to generate ideas from headlines, sell-side reports, and deal insider reports that lend themselves to trades with little depth in analysis or context around the event.

Our process is different. We leverage subject-matter experts focused on markets across developed, emerging and frontier economies. Once an event is unearthed, these analysts can immediately provide context for potential outcomes regardless of whether it is a large cap Latin American telecom company or a micro cap U.S. biotech firm. Figure 1 highlights how the broad coverage of the Driehaus Investment Team lends itself to a portfolio of ideas diversified across regions, sectors, market caps, asset classes and trade structures.

**Figure 1: Characteristics of the Driehaus Event Driven Fund’s Top 20 Holdings** (As of May, 2014)

Driehaus Source	Geography	Sector	Sell-side coverage	Trade Structure
Credit Alternative Team	US	Autos	High	Warrants, Common stock
Emerging Markets Team	LatAm	Telecom	High	Pair Trade Common Stock
Credit Alternative Team	LatAm	Cement	High	Converts
U.S. Small Cap Team	US	Technology	Low	Options, Common stock
Credit Alternative Team	US	Oil/Gas	None	Unsecured bond
Volatility/Options Team	Asia/US	Semiconductor	Low	Deal arbitrage Common Stock
U.S. Small Cap Team	US	Leisure	Low	Pair Trade Common Stock
Global Growth Team	US	Aerospace	Low	Commonstock
Credit Alternative Team	US	Oil/Gas	None	HoldCo PIK bond
Credit Alternative Team	Europe	Banking	Low	Preferred bond
Credit Alternative Team	US	Restaurant	Low	Unsecured bond
U.S. Small/Mid Cap Team	US	Technology	Medium	Options, Common stock
Credit Alternative Team	LatAm	Telecom	Low	Unsecured bond
Credit Alternative Team	US	Technology	Low	Pair Trade CDS vs HoldCo
Global Growth Team	LatAm	Commercial Real Estate	Medium	Common stock
Credit Alternative Team	US	Consumer Discretionary	None	Common stock
U.S. Small Cap Team	US	Semiconductor	Low	Options, Common stock
Global Growth Team	Middle East	Oil/Gas	Low	Common stock
Credit Alternative Team	US	Retail	None	Short Pair Trade Loan vs Bond
U.S. Small Cap Team	US	Biotech	Low	Common stock

Source: Driehaus Capital Management

### Contributors and Detractors

Trades within the Driehaus Event Driven Fund are highly idiosyncratic. While market movements will have some degree of influence upon the fund’s trades, company-specific factors are generally the drivers of returns. Following are brief explanations of three meaningful contributors and detractors to performance for the month.

## Contributors

The top contributor to the fund this month was a long options and stock position in a large company in the information technology sector. Our position benefited from the company's release of a smartphone with fingerprint sensor which exhibited better than expected sell-through data. Market realization that several other products in the pipeline for release from this company also incorporated fingerprint sensors aided the position as well. Perhaps more importantly, a rumored acquisition of a Driver Integrated Circuit business from a Japanese hardware firm would be very material to earnings. The trade contributed 37 basis points to the fund.

Another top performing position during the month was a directional long equity position in a professional education company in Brazil. We entered the position while the company was awaiting regulatory approval for a proposed merger with a large peer. At the time, we felt the share price underestimated the likelihood of the merger succeeding. Additionally, as a standalone company, we felt that the stock was trading at a significant discount to fair value as the company was well positioned to capitalize on the attractive and growing for-profit education sector in Brazil. We exited the position after regulators approved the merger in May. The trade contributed 35 basis points to performance.

Lastly, another meaningful contributor for the month is an organic foods long-short pair trade, which we highlighted as a new trade in [last month's commentary](#). During May, earnings reports from each company were favorable to the trade's position and contributed to performance. However, even though both legs have contributed positively to performance since inception, the thesis on the short leg of the pair trade began playing out earlier than expected. We had predicted that the company would feel pressure from competitors but had not expected it to impact income statements so soon. Our exposure to this position has been pared back as a result. The trade contributed 58 basis points.

## Detractors

A significant detractor during May was an equity position in a therapeutics company with an upcoming regulatory decision. During the month, the company filed a document with the SEC registering both primary and secondary shares. These "shelf" filings signal the intent to execute a secondary offering. While registering primary shares in a shelf filing is the normal course of business for a development-stage company, the registration of secondary shares generally creates unease in the market as investors question why the holders are selling. The fund's position suffered as a result. The trade detracted 30 basis points.

Another detractor during May was an equity position in the infotainment business that has shown general weakness after one of our positive catalysts materialized in January of this year. Specifically, the company signed one of the large broadcasters to a deal for television ratings product and the stock experienced an 85% one month return. We expect to maintain this position through this general period of consolidation, driven by profit taking, as we see multiple events on the horizon that interest us. The trade detracted 28 basis points to the fund.

The last major detractor to the fund was a common stock position based on worries regarding a semi-conductor company's base business. Expectations built that the company might undergo a faster rate of decline in upcoming periods than previously predicted due to cautious commentary from the company in its most recent 10-k. Additionally, a potential competitor announced the date of showcasing a new product in early June that was expected to be a direct competitor for business. Company prospects may be brightening however, since the competitor's new product showcased in early June

## Driehaus Alternative Strategies

Please visit our website or click a fund below to download a monthly commentary:

- **Driehaus Active Income Fund (LCMAX)**
- **Driehaus Select Credit Fund (DRSLX)**
- **Driehaus Event Driven Fund (DEVDX)**
- **Driehaus Emerging Markets Small Cap Growth Fund (DRESX)**

addressed a more specific sector of the market, leaving large market opportunities for both companies. During a discussion on an earnings call about the decline in base business in upcoming periods, management also predicted that new design wins will backfill by the fourth quarter of 2014 or first quarter of 2015. The trade detracted 28 basis points during May.

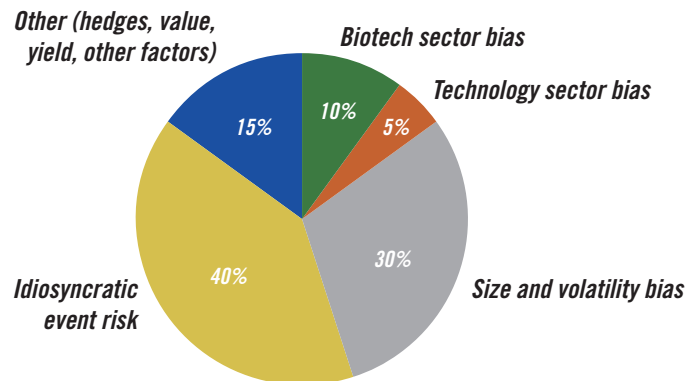
### **New Trade**

New to the portfolio this month is a corporate action event trade based on an unexpected change in strategic direction for a global leader in aerospace equipment. The primary catalyst for the trade was the day-of cancellation of the company's investor meeting and subsequent press release outlining the company's exploration of strategic alternatives. Both underlying fundamentals and our view that the result of any action (outright sale, segment spin off, etc.) would support an upside of 15-40%, contributed to our belief that the current share price is well-supported. The paired component of the trade was simply to protect against market risk since the dynamics of the trade were company-specific and not a reflection of the industry or market opportunities.

### **Outlook**

We have always believed in providing transparency along with a strong product. From the beginning of March to the end of May, our attribution versus the S&P500 index has been a disappointing -550 basis points. This month, we broke down our attribution over this time period into five categories of major risk factors (using Axioma, a risk analysis system), to provide some market context for our underperformance.

**DEVDX - Negative Attribution vs. the S&P 500 Index Composition (2/28/14 - 5/31/14)**



As you can see in the chart above, our negative attribution rates within the biotech, technology, and size and volatility bias make up a sizable portion of the pie. Increased levels of risk and higher correlations within these areas over the last three months have hurt our performance. Importantly, we have started to see some of the fund's predominant risk factors stabilize. This should allow for the fund's highly idiosyncratic event trades to reemerge as the primary driver of risk and return within the fund. We will continue to use trade structure, asset class, and other tools to mitigate the future size bias or sector biases that could create headwinds.

In these shifting environments, producing strong returns with commensurate volatility will remain our focus as we continue to seek opportunities to generate a differentiated return stream.

**K.C. Nelson**  
Portfolio Manager

**Adam Abbas**  
Assistant Portfolio Manager

**Michael Caldwell**  
Assistant Portfolio Manager

# DRIEHAUS EVENT DRIVEN FUND PERFORMANCE RECAP

## MONTH-END PERFORMANCE AS OF 5/31/14

Fund/Index	April	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	-0.28%	1.12%	----	----	----	----	11.58%
S&P 500 Index <sup>2</sup>	2.35%	4.97%	----	----	----	----	17.50%
Citigroup 3-Month T-Bill Index <sup>3</sup>	0.00%	0.02%	----	----	----	----	0.03%

## CALENDAR QUARTER-END PERFORMANCE AS OF 3/31/14

Fund/Index	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	2.98%	2.98%	----	----	----	----	13.63%
S&P 500 Index <sup>2</sup>	1.81%	1.81%	----	----	----	----	13.96%
Citigroup 3-Month T-Bill Index <sup>3</sup>	0.01%	0.01%	----	----	----	----	0.02%

Annual Fund Operating Expenses <sup>4</sup>	
Management Fee	1.00%
Other Expenses Excluding Dividends and Interest on Short Sales	0.56%
Dividends and Interest on Short Sales	n/a
<b>Total Annual Fund Operating Expenses</b>	<b>1.56%</b>

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 (877) 779-0079 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.

<sup>1</sup>Inception Date: 8/26/2013. <sup>2</sup>The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. <sup>3</sup>The Citigroup 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The Citigroup 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. <sup>4</sup>Represents the estimated Annual Fund Operating Expenses as disclosed in the current prospectus dated May 31, 2014. 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. "Other Expenses Excluding Dividends and Interest on Short Sales" are estimated for the current fiscal year. "Dividends and Interest on Short Sales" cannot be estimated and, therefore, actual Fund expenses may be higher than those shown. Because dividends and interest on short positions are not included in the expenses subject to reimbursement, the actual net expenses of the Fund may be higher than those shown.

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the 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 this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contains this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.

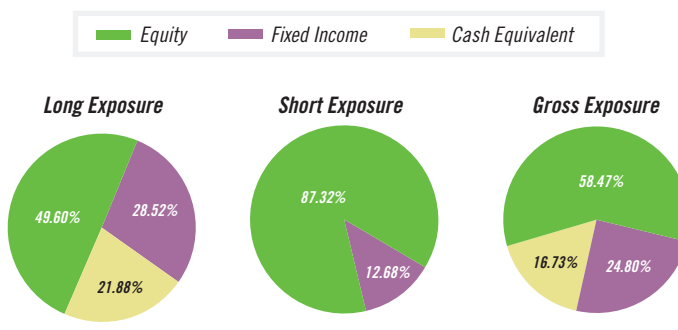
Driehaus Securities LLC, Distributor

# DRIEHAUS EVENT DRIVEN FUND PORTFOLIO CHARACTERISTICS\*

## EXPOSURE SUMMARY

	<i>excluding cash</i>	
Assets Under Management (AUM)	\$261,748,124	
Long Exposure	\$265,912,714	\$207,737,106
Short Exposure	\$(81,744,036)	\$(81,744,036)
Net Exposure	\$184,168,677	\$125,993,070
Net Exposure/AUM	70.36%	48.14%
Gross Exposure	\$347,656,750	\$289,481,143
Gross Exposure/AUM	1.33x	1.11x

## EXPOSURE BREAKDOWN BY ASSET CLASS



## EVENT TYPE

	Gross Exposure	% of Gross Exposure	% Contrib. to Total Return	% of Gross Exposure Change vs. Previous Month End
Corporate Action	120,342,776	34.6%	-0.01%	10.5%
Earnings	0	0.0%	-0.10%	-1.2%
FX Cash	1,008,854	0.3%	0.00%	0.3%
Market Dislocation	44,193,132	12.7%	-0.13%	-3.0%
Portfolio Hedges	34,985,463	10.1%	-0.75%	-8.3%
Product Cycle	79,891,895	23.0%	0.71%	4.4%
Restructuring	10,067,876	2.9%	0.01%	-0.3%
Cash equivalent**	57,166,754	16.4%	0.00%	-2.4%
<b>Total</b>	<b>347,656,750</b>	<b>100.0%</b>	<b>-0.28%</b>	<b>0.0%</b>

## PORTFOLIO SUMMARY

Portfolio Yield-To-Worst (as of 5/31/14)	1.43%
Portfolio Volatility (100 day, based on historical daily returns)	7.61%
S&P 500 Index Volatility (100 day, based on historical daily returns)	11.55%
Beta vs. S&P 500 <sup>1</sup> Index (since inception)	0.41
Beta vs. Barclays Agg <sup>2</sup> (since inception)	(0.33)
Beta vs. Merrill Lynch High Yield Index <sup>3</sup> (since inception)	0.90
DEVDX and S&P 500 Index Correlation (since inception)	0.63
DEVDX and Barclays Agg Correlation (since inception)	(0.14)
DEVDX and Merrill Lynch High Yield Index Correlation (since inception)	0.19

## CHARACTERISTICS

### FIXED INCOME

Effective Duration/100 bps	0.43%
Effective Spread Duration/100 bps	0.82%
Long Exposure Mark-to-market Value/Par Value (ex IR hedge)	105.30%
Short Exposure Mark-to-market Value/Par Value (ex IR hedge)	93.22%
Average Credit Rating Excluding Treasury Hedge	B

### EQUITY

Weighted Average Market Capitalization (USD in Billion)	\$6.58
Dividend Yield	0.28%
Weighted Harmonic Average P/E using FY1 Estimation	26.3

Source: Bloomberg

\*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices, exposure represents bond-equivalent exposure.

\*\*This figure represents the fund's operating cash plus receivables for investments sold and minus payables for investments purchased.

<sup>1</sup> The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value.

<sup>2</sup> The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below-investment-grade, U.S.-dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

<sup>3</sup> The Barclays Capital U.S. Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Note:** A definition of key terms can be found on page 11

PRODUCT TYPE							
	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure	% of Gross Exposure Change vs. Previous Month End
<b>Cash Equivalent</b>	<b>58,175,607</b>	<b>21.9%</b>	-	<b>0.0%</b>	<b>58,175,607</b>	<b>16.7%</b>	<b>-2.1%</b>
USD Cash	57,166,754	21.5%	-	0.0%	57,166,754	16.4%	-2.4%
FX Cash	1,008,854	0.4%	-	0.0%	1,008,854	0.3%	0.3%
<b>Credit Products</b>	<b>75,839,080</b>	<b>28.5%</b>	<b>(10,253,734)</b>	<b>12.5%</b>	<b>86,092,814</b>	<b>24.8%</b>	<b>1.0%</b>
Bank Loan	8,970,707	3.4%	-	0.0%	8,970,707	2.6%	0.4%
Corp Credit	52,033,316	19.6%	(2,395,902)	2.9%	54,429,218	15.7%	0.1%
Corp CDS	-	0.0%	(6,813,746)	8.3%	6,813,746	2.0%	0.0%
CDS Index	-	0.0%	-	0.0%	-	0.0%	0.0%
Sovereign Credit	-	0.0%	-	0.0%	-	0.0%	0.0%
Convertible	14,835,056	5.6%	(1,044,086)	1.3%	15,879,142	4.6%	0.5%
Pfd	-	0.0%	-	0.0%	-	0.0%	0.0%
<b>Rates Products</b>	<b>-</b>	<b>0.0%</b>	<b>(110,494)</b>	<b>0.1%</b>	<b>110,494</b>	<b>0.0%</b>	<b>-4.9%</b>
Govt Bonds	-	0.0%	-	0.0%	-	0.0%	0.0%
Treasury Future	-	0.0%	-	0.0%	-	0.0%	0.0%
IR Swaption	-	0.0%	(110,494)	0.1%	110,494	0.0%	-4.9%
<b>Equity Products</b>	<b>131,898,027</b>	<b>49.6%</b>	<b>(67,321,585)</b>	<b>82.4%</b>	<b>199,219,611</b>	<b>57.3%</b>	<b>8.9%</b>
Equity	114,937,051	43.2%	(37,406,421)	45.8%	152,343,471	43.8%	7.3%
Equity Option	16,928,292	6.4%	(12,421,864)	15.2%	29,350,156	8.4%	2.7%
Equity Index Future	-	0.0%	-	0.0%	-	0.0%	0.0%
Equity Index Option	-	0.0%	-	0.0%	-	0.0%	0.0%
Equity Warrant	32,684	0.0%	-	0.0%	32,684	0.0%	0.0%
ETF	-	0.0%	(17,493,300)	21.4%	17,493,300	5.0%	-1.1%
Volatility Index Option	-	0.0%	-	0.0%	-	0.0%	0.0%
<b>Commodity Products</b>	<b>-</b>	<b>0.0%</b>	<b>(4,058,223)</b>	<b>5.0%</b>	<b>4,058,223</b>	<b>1.2%</b>	<b>-2.9%</b>
Commodity Option	-	0.0%	(4,058,223)	5.0%	4,058,223	1.2%	-2.9%
Commodity Future	-	0.0%	-	0.0%	-	0.0%	0.0%
<b>Foreign Exchange Products</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
FX Forward	-	0.0%	-	0.0%	-	0.0%	0.0%
FX Option	-	0.0%	-	0.0%	-	0.0%	0.0%
<b>Total</b>	<b>265,912,714</b>	<b>100.0%</b>	<b>(81,744,036)</b>	<b>100.0%</b>	<b>347,656,750</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Bloomberg

Note: A definition of key terms can be found on page 11

## EXPOSURE BY COUNTRY OF RISK

Country Of Risk	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
United States	184,940,979	69.5%	(76,892,206)	94.1%	261,833,185	75.3%
Japan	8,261,654	3.1%	0	0.0%	8,261,654	2.4%
United Kingdom	18,398,401	6.9%	0	0.0%	18,398,401	5.3%
Canada	18,216,047	6.9%	0	0.0%	18,216,047	5.2%
Barbados	4,287,614	1.6%	0	0.0%	4,287,614	1.2%
United Arab Emirates	3,896,227	1.5%	0	0.0%	3,896,227	1.1%
Ukraine	989,537	0.4%	0	0.0%	989,537	0.3%
Mexico	26,612,497	10.0%	(4,851,830)	5.9%	31,464,327	9.1%
Panama	309,757	0.1%	0	0.0%	309,757	0.1%
	<b>265,912,714</b>	<b>100.0%</b>	<b>(81,744,036)</b>	<b>100.0%</b>	<b>347,656,750</b>	<b>100.0%</b>

## INDUSTRY SECTOR

GICS <sup>1</sup>	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Consumer Discretionary	72,318,498	35.4%	(19,456,027)	45.5%	91,774,524	37.2%
Consumer Staples	14,740,027	7.2%	(4,872,008)	11.4%	19,612,035	7.9%
Energy	17,862,346	8.8%	0	0.0%	17,862,346	7.2%
Financials	13,864,652	6.8%	0	0.0%	13,864,652	5.6%
Health Care	16,654,000	8.2%	0	0.0%	16,654,000	6.7%
Industrials	7,304,625	3.6%	0	0.0%	7,304,625	3.0%
Information Technology	37,378,204	18.3%	(13,557,929)	31.7%	50,936,133	20.6%
Materials	14,143,996	6.9%	0	0.0%	14,143,996	5.7%
Telecommunication Services	9,843,463	4.8%	(4,851,830)	11.4%	14,695,293	6.0%
<b>GICS Total</b>	<b>204,109,810</b>	<b>100.0%</b>	<b>(42,737,794)</b>	<b>100.0%</b>	<b>246,847,604</b>	<b>100.0%</b>

## Other<sup>2</sup>

Commodity	0	0.0%	(4,058,223)	10.4%	4,058,223	4.0%
Equity Index	0	0.0%	(17,493,300)	44.8%	17,493,300	17.4%
ETF	3,627,296	5.9%	(17,344,225)	44.5%	20,971,521	20.8%
FX Currency	1,008,854	1.6%	0	0.0%	1,008,854	1.0%
Interest Rate Swap	0	0.0%	(110,494)	0.3%	110,494	0.1%
USD Currency	57,166,754	92.5%	0	0.0%	57,166,754	56.7%
<b>Other Total</b>	<b>61,802,903</b>	<b>100.0%</b>	<b>(39,006,243)</b>	<b>100.0%</b>	<b>100,809,146</b>	<b>100.0%</b>

Source: Bloomberg, Moody's, Standard & Poor's

<sup>1</sup> The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

<sup>2</sup> The Other Industry Group data is not categorized within the GICS classification system.

*Note: A definition of key terms can be found on page 11*



INDUSTRY GROUP						
GICS <sup>1</sup>	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Automobiles & Components	14,960,230	7.3%	(4,154,109)	9.7%	19,114,338	7.7%
Banks	6,506,337	3.2%	0	0.0%	6,506,337	2.6%
Capital Goods	7,304,625	3.6%	0	0.0%	7,304,625	3.0%
Consumer Durables & Apparel	5,436,463	2.7%	(8,006,299)	18.7%	13,442,762	5.4%
Consumer Services	8,004,154	3.9%	(524,106)	1.2%	8,528,260	3.5%
Diversified Financials	7,048,557	3.5%	0	0.0%	7,048,557	2.9%
Energy	17,862,346	8.8%	0	0.0%	17,862,346	7.2%
Food & Staples Retailing	3,179,120	1.6%	0	0.0%	3,179,120	1.3%
Food Beverage & Tobacco	11,560,907	5.7%	(4,872,008)	11.4%	16,432,915	6.7%
Iron/Steel	989,537	0.5%	0	0.0%	989,537	0.4%
Materials	13,154,459	6.4%	0	0.0%	13,154,459	5.3%
Media	31,246,015	15.3%	(2,725,714)	6.4%	33,971,729	13.8%
Pharmaceuticals, Biotechnology	16,654,000	8.2%	0	0.0%	16,654,000	6.7%
Real Estate	309,757	0.2%	0	0.0%	309,757	0.1%
Retailing	12,671,637	6.2%	(4,045,799)	9.5%	16,717,436	6.8%
Semiconductors & Semiconductor	25,309,976	12.4%	(7,874,100)	18.4%	33,184,076	13.4%
Software & Services	12,068,228	5.9%	(5,683,829)	13.3%	17,752,058	7.2%
Telecommunication Services	9,843,463	4.8%	(4,851,830)	11.4%	14,695,293	6.0%
<b>GICS Group Total</b>	<b>204,109,810</b>	<b>100.0%</b>	<b>(42,737,794)</b>	<b>100.0%</b>	<b>246,847,604</b>	<b>100.0%</b>
<b>Other<sup>2</sup></b>						
Gold ETF	3,627,296	5.9%	(5,376,519)	13.8%	9,003,815	8.9%
Interest Rate Swap	0	0.0%	(110,494)	0.3%	110,494	0.1%
IXI Industrial Select Sector ETF	0	0.0%	(7,648,075)	19.6%	7,648,075	7.6%
JPY Currency	1,008,854	1.6%	0	0.0%	1,008,854	1.0%
Russell 2000 Index	0	0.0%	(17,493,300)	44.8%	17,493,300	17.4%
S&P Biotech ETF	0	0.0%	(4,319,631)	11.1%	4,319,631	4.3%
USD Currency	57,166,754	92.5%	0	0.0%	57,166,754	56.7%
WTI Crude Oil	0	0.0%	(4,058,223)	10.4%	4,058,223	4.0%
<b>Other Total</b>	<b>61,802,903</b>	<b>100.0%</b>	<b>(39,006,243)</b>	<b>100.0%</b>	<b>100,809,146</b>	<b>100.0%</b>

DERIVATIVES CHARACTERISTICS	
Derivatives Premium (% of AUM) (Excluding Fixed-Income Derivatives)	1.77%
Equity Delta (% of AUM) per 1% underlying move	0.29%
Equity Gamma (% of AUM) per 1% underlying move	0.01%
Vega (% of AUM) per 1 point vol move	0.10%
Theta (% of AUM) per 1 day change	-0.01%
Currency Delta (% of AUM) per 1% underlying move	0.07%

CONTRIBUTORS (BY TRADE TYPE)			
TOP 5		BOTTOM 5	
Corporate Action	0.58%	Market Dislocation	-0.33%
Product Cycle	0.37%	Corporate Action	-0.30%
Product Cycle	0.36%	Product Cycle	-0.28%
Corporate Action	0.35%	Corporate Action	-0.26%
Product Cycle	0.19%	Portfolio Hedges	-0.24%
<b>Total</b>	<b>1.84%</b>	<b>Total</b>	<b>-1.41%</b>

Source: Bloomberg, Moody's, Standard & Poor's

<sup>1</sup> The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity. <sup>2</sup> The Other Industry Group data is not categorized within the GICS classification system.

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## Notes

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the 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 this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

**Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contains this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.**

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**Driehaus Securities LLC, Distributor**

## FUND INFORMATION

Types of events in which the fund frequently invests include:

**Earnings:**

A trade involving an upside or downside surprise to earnings versus market expectations.

**Product cycle:**

A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

**Restructuring:**

A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

**Corporate action:**

Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

**Market dislocation:**

Any mispricing of a security for a non-fundamental reason.

**Portfolio hedges:**

A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Types of trades in which the fund frequently invests include:

**Capital Structure Arbitrage**

attempt to exploit pricing inefficiencies between two securities of the same company.

**Convertible Arbitrage**

attempt to profit from changes in a company's equity volatility or credit quality by purchasing a convertible bond and simultaneously shorting the same issuer's common stock.

**Event Driven**

attempt to profit from the consummation of a given event, e.g. a takeover, merger, reorganization or conclusion of material litigation, or based upon the perceptions of a potential pending corporate event.

**Pairs Trading**

attempt to exploit pricing inefficiencies between the securities of two similar companies by buying the security of one company and shorting the security of the other.

**Directional Trading**

taking long or short positions in equity or corporate debt instruments in anticipation of profiting from movements in the prices of these assets.

**Interest Rate Hedging**

attempt to reduce the performance impact of rising or falling interest rates.

**Volatility Hedging**

attempt to profit from extreme market volatility.

## DEFINITIONS OF KEY TERMS

**Agency Mortgage-Backed Security** - A mortgage-backed security issued and guaranteed by a government agency such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association.

**Asset-Backed Security (ABS)** - A security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets.

**Average % of Par-Longs** - The average dollar price of a bond the Fund is long as a percentage of par.

**Average % of Par-Shorts** - The average dollar price of a bond the Fund is short as a percentage of par.

**Beta** - A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

**Credit Default Swap (CDS)** - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

**Delta** - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

**Derivatives Premium** - Value of a derivatives contract.

**Effective Duration** - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

**Equity Gamma** - The ratio that compares the rate of change for the delta with respect to the underlying asset's price.

**Effective Spread Duration** - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

**Mortgage-Backed Security (MBS)** - An asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property.

**Portfolio Coupon** - The annualized interest earned for the portfolio.

**Portfolio Current Yield** - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

**Portfolio Yield-to-Worst** - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

**Sharpe Ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

**Stock Vega** - The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

**Swap** - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

**Theta** - A measure of the rate of decline in the value of an option due to the passage of time. Theta can also be referred to as the time decay on the value of an option.