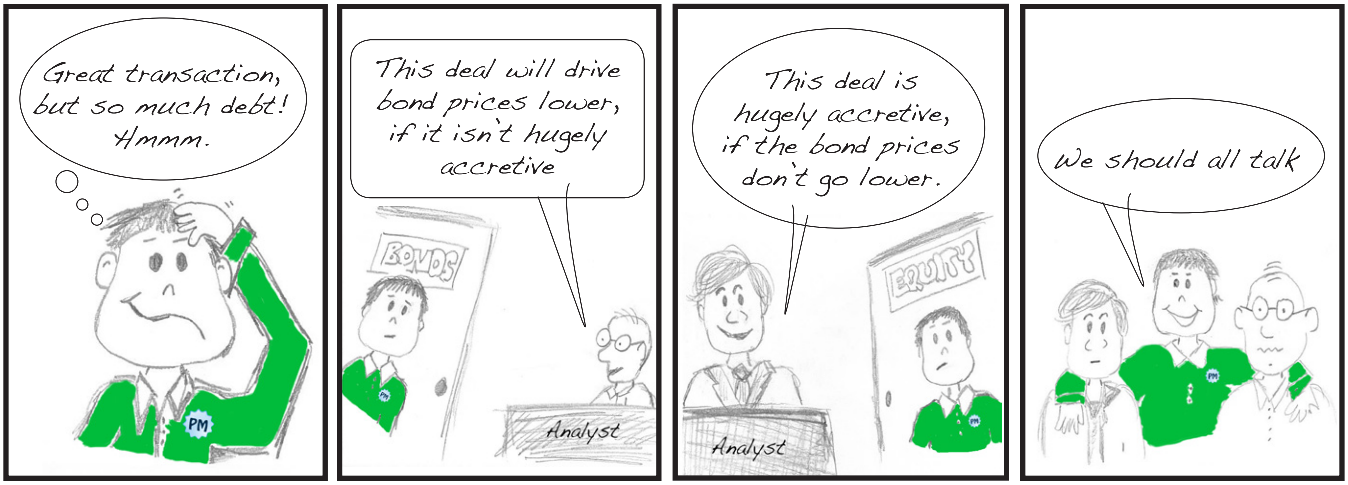
Driehaus Event Driven Fund Commentary



This comic is illustrative of an investment conundrum often seen in the levered-event space, and also applies to a recently initiated telecom position in the fund. The conundrum lies in the inextricable link of default risk and equity accretion in levered buyouts. As default risk goes higher, funding costs get more expensive, the accretion opportunity is diluted, equity valuation goes down, credit spreads go wider, thus default risk goes higher, and then the process repeats itself. The circularity works in opposite fashion as well. This is why it is critical to hold a view of bankruptcy risk and the ultimate accretion opportunity of to-be-acquired assets. Having just one perspective leaves the analysis incomplete. This circularity tends to manifest itself in rapid revaluations, and with hasty moves in securities often come dislocations that can be exploited.

The new telecom trade we initiated recently was found as we sifted through the wreckage of levered equities. We were looking for attractive event names that were being pulled down by the aforementioned circularity, but had a strong accretion story and defensible credit case to support its valuation. For the telecom company we added to the fund, its stock was 40% lower than its first quarter deal announcement peak. The pending transaction would effectively double its EBITDA base through a $10 billion-plus buyout of an incumbent's wireline assets. We looked at the company through both equity and credit lenses to see if the re-rating lower was merited (Exhibit 1).

EXHIBIT 1: DAY 1 CAPITAL STRUCTURE

PF EBITDA	4,250
PF EBITDA (ex 1-time costs)	4,450
Existing TL	$705
New Delayed Draw TL	**$1,500**
Total priority debt	**$2,205**
	0.52x
Unsecured tranche	$8,829
New unsecured debt	**$6,600**
Total Unsecured	**$15,429**
Total through Unsecured	**$17,634**
PFD Convert	$1,925
Total Debt	**$19,559**
Net Debt	**$19,059**
Total Leverage	**4.60x**
Net Leverage	**4.48x**
Market Capitalization	$6,267
Market Cap Turns	1.47x
Enterprise Value	$25,328
EV/EBITDA	5.96x
EV/PF EBITDA	5.69x
PF FCF	943
PF FCF ex 1 time costs	1170
Dividend	0.42
Dividend yield	7.83%
Dividend total	481

Source: Driehaus Capital Management, company data

The Equity Lens

A perfunctory look at the buyout from an equity valuation perspective points to a glaring cheapness. The acquired synergies by themselves are worth 35% of the standalone company's EBITDA. Further, those synergies imply about a 4.5x pro forma purchase price versus 5.5-6.5x industry multiples, and versus a 6.5x multiple of the telecom company prior to the announcement. Precedent transactions by the company suggest that the level of synergies predicted by the company is, if anything, conservative and likely to hold significant upside. Mitigating a key risk in previous acquisitions (most notably a botched transaction in 2010), management is taking a large team of personnel from the target to ensure a smooth transition and ultimately keep customer churn from spiking as it did in 2010.

Despite poor market sentiment, fundamentals in core access line trends appear to be stabilizing, ensuring that the free cash flow (FCF), and thus the dividend yield of 8% at the time of trade, or +5.15% over Treasurys, is well protected. With limited regulatory hurdles, assuming management can execute on what we feel is a very achievable integration plan, the synergies alone by year three will take pro forma EV/EBITDA (enterprise value/earnings before interest, taxes, depreciation and amortization) down by 8/10 of a turn.

That may not sound that exciting on the surface but when a business has 4.5x turns of leverage and 6.0x enterprise value, the 8/10 of a turn is worth around 50% in market capitalization. Lastly, on pretty conservative assumptions around cost of debt, the payout ratio can shrink to close to 40% by year three. Assuming management would like to keep the payout ratio at pre-deal levels, the implied upside of the stock is roughly 80%.

The Credit Lens

So maybe it looks like a slam dunk on the equity side. However, a granular analysis of the credit picture is required to fully understand the risk for levered deals with such a thin market capitalization and bond yields of more than 9%. If $9.5 billion of standalone debt and 4.5x leverage prior to deal announcement wasn't enough, then the $8 billion of acquisition debt (excluding the preferred converts) to be layered on with this transaction surely warrants careful inspection.

There is a fair amount of risk to raising that size of high yield issue, with a company in secular decline, and against a capital markets backdrop that is increasingly closed to lower quality credits. And other debt-siders are clearly worried—the company's 10-year benchmark bonds have traded from 104 (6.2% yield-to-worst) to as low as 82 (9.8%). To add context, each 1% higher in cost of debt for the $8 billion funding gap equates to $80 million in annual cash interest costs, or just below 10% of the consensus pro forma pre-interest free cash flow! Said differently, that $80 million is roughly 20% of the current dividend!

So understanding the financing risk likely explains a large amount of the stock cheapness.

The critical question in the analysis then comes down to the question: What is the risk of significantly wider financing costs or of a full closing off of capital markets to fund the deal?

Stated simply, the risks of wider financing costs (or higher default risk) we believe are overdone for three key reasons:

» **About 40% of required funding is already complete.** The company has quietly raised $1.5 billion of term loan debt at less than 3.0%, $1.925 billion of preferred mandatory converts, and $790 million of common equity. The last chunk of unsecured debt will likely come after Labor Day, which we expect to come at a blended rate of 8.75% to 9.75%.

» **Secured capacity.** The company maintains a significant amount of additional secured capacity to address needs if unsecured funding costs go higher. Although management would prefer to keep secured capacity for a crisis environment, if the cost of unsecured debt goes wider than roughly 10% to 11%, they may consider a mixed secured/unsecured deal. We estimate that the current bond indentures would allow up to roughly $4 billion in additional debt (excluding the $1.5 billion term loan referenced above). While this isn't the base case, it is important to understand management's optionality to cap total funding costs to assess the downside risk in the stock at these levels.

- **Unsecured credit is fundamentally cheap versus the index.** The technical supply overhang from the new deal financing should have moved spreads significantly wider, but it has overshot in our opinion. The credit default swap on this telecom company has moved from trading -100 inside of the index to now +125 outside, and the 10-year cash spread has moved from on top of the BAML single-B index to +150 wide of it. With about 5% FCF/debt pre-dividend, a full $750 million undrawn revolver, more than $280 million upcoming cash injections from regulatory payments, a very smooth maturity profile, and a day-1 deleveraging deal (no synergies), we view this telecom, at worst, as a solid B-rated company.

EXHIBIT 2: RELATIVE PERFORMANCE OF CDS OF TELECOM COMPANY VS. THE HY CDX INDEX

Source: Bloomberg

The significant attractiveness in this telecom stock and related M&A events requires an equal appreciation for the upside risks in the earnings accretion and the downside risks in credit deterioration. The accretion story is valid (if not understated by management). The main credit risks are well mitigated by the company's free cash flow and its access to key levers if the market doesn't cooperate in the coming weeks. The thinness in the company's market capitalization relative to its enterprise value presents an asymmetric return in the equity on only small movements in valuation, if we're right on the thesis. Finally, to structure the long exposure, the fund holds a combination of at-the-money and out-of-the-money call options. This leverages the upside asymmetry and limits losses if credit spreads continue to go wider.

Fund Performance Recap

In July, the fund returned -0.48% on 7.6% volatility versus the S&P 500 Index return of 2.09% on 12.5% volatility[1]. There were 57 active trades in the fund during the month with 31 contributors and 26 detractors.

Notable events in July included a food producer that announced the closure of a prospectively accretive acquisition, as well as posting a better-than-expected earnings report. Both catalysts were core to our thesis when initiating the position. Additionally, a consumer staples company completed a significant merger, which included the insertion of an upgraded management team ready to execute an international expansion plan that should lead to better margins. Our last event involved a tech company spinning off its most profitable unit. Our thesis that this would unlock a fuller valuation for this profitable, high-margin, 'spin-co', proved correct.

PERFORMANCE

MONTH-END (%) – 7/31/15

	MTD	YTD	1 Year	Since Inception[2]
Driehaus Event Driven Fund	-0.48%	3.43%	-2.86%	3.51%
S&P 500 Index[3]	2.10%	3.35%	11.21%	15.24%
Citigroup 3-Month T-Bill Index[4]	0.00%	0.01%	0.02%	0.03%

CALENDAR QUARTER-END (%) – 6/30/15

	QTR	YTD	1 Year	Since Inception[2]
Driehaus Event Driven Fund	-0.48%	3.94%	-5.48%	3.95%
S&P 500 Index[3]	0.28%	1.23%	7.42%	14.70%
Citigroup 3-Month T-Bill Index[4]	0.00%	0.01%	0.02%	0.03%

ANNUAL FUND OPERATING EXPENSES[5]

Management Fee 1.00%

Other Expenses Excluding Dividends & Interest on Short Sales 0.35%

Dividends and Interest on Short Sales 0.45%

Total Annual Fund Operating Expenses 1.80%

[1]**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 for more current performance information.**

[2]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [3]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. [4]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. [5]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2015. 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.

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.

Market Outlook and Positioning

As the summer comes to a close, warnings signs in the credit market have us on alert as high yield and investment grade spreads test three-year wides. Although we understand that late August is never the best barometer to gauge the market's true intentions, in a few weeks we will be keenly focused on the ability of both asset classes to digest the traditional post-Labor Day supply of deals and hold current spread levels. Assuming credit levels hold, we expect the market to remain fertile with new deals, buybacks and spins. We continue to favor health care, consumer discretionary, technology, media and telecom for the lion's share of this exposure. (View our perspective on the current event landscape in the presentation, "Capitalizing on the Boom in Event Driven Activity.")

The biotech space remains of particular interest to us as we are finding idiosyncratic risk that is significantly dislocated from intrinsic value. To help cushion the daily volatility exhibited in some of these positions, we will be implementing a short-basket approach to hedge some of the industry exposure rather than using large cap-biased sector ETFs. Also, if credit spreads move wider in credit, we will look for opportunistic cross asset class trades. Lastly, two weeks ago Disney reported it was trimming forecasts for TV subscriber-fee profit growth due to subscriber losses at its ESPN sports network, sending shockwaves through the media and cable world. This will inevitably trigger event catalysts, positive and negative, and we are looking for opportunities in this space. The balancing act is to add exposure to names that will be players in consolidations, while anchoring on fundamental valuations and respecting near-term market sentiment.

Until next month,
K.C., Adam, Michael, Yoav & Matthew

K.C. Nelson
Portfolio Manager

Adam Abbas
Co-Portfolio Manager

Michael Caldwell
Assistant Portfolio Manager

Yoav Sharon
Assistant Portfolio Manager

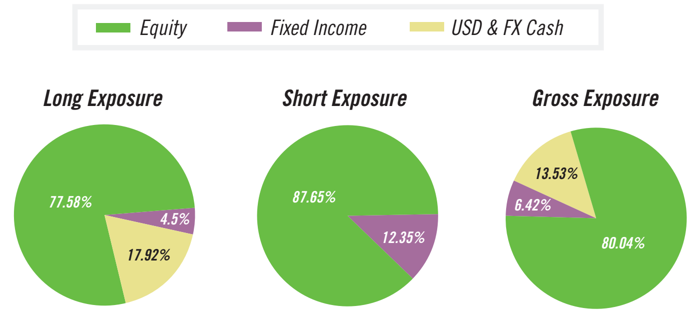
Matthew Schoenfeld
Assistant Portfolio Manager

DEVDX Portfolio Characteristics*

Executive Summary

		excluding cash
Assets Under Management (AUM)	$251,967,166	
Long Exposure	$267,761,244	$219,787,046
Short Exposure	$(86,713,389)	$(86,713,389)
Net Exposure	$181,047,855	$133,073,657
Net Exposure/AUM	71.85%	52.81%
Gross Exposure	$354,474,633	$306,500,435
Gross Exposure/AUM	1.41x	1.22x

Exposure Breakdown by Asset Class



Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond catalyst-driven	22,773,316	6.4%	-0.01%
Equity catalyst-driven	152,769,339	43.1%	1.19%
Portfolio hedges	45,769,422	12.9%	-1.37%
Risk arbitrage	85,188,358	24.0%	-0.26%
Deep value	0	0.0%	-0.02%
USD Cash	47,974,198	13.5%	-0.02%
Total	**354,474,633**	**100.0%**	**-0.48%**

Portfolio Summary

Portfolio Volatility (100 day, based on historical daily returns)	6.55%
S&P 500 Index Volatility (100 day, based on historical daily returns)	11.05%
Beta vs. S&P 500 Index[1] (since inception)	0.41
Beta vs. Barclays Agg[2] (since inception)	(0.33)
Beta vs. Merrill Lynch High Yield Index[3] (since inception)	0.81
DEVDX and S&P 500 Index Correlation (since inception)	0.66
DEVDX and Barclays Agg Correlation (since inception)	(0.15)
DEVDX and Merrill Lynch High Yield Index Correlation (since inception)	0.32

Characteristics

FIXED INCOME	
Effective Duration/100 bps	0.18%
Effective Spread Duration/100 bps	0.65%
Long Exposure Mark-to-market Value/Par Value (ex IR hedge)	120.61%
Short Exposure Mark-to-market Value/Par Value (ex IR hedge)	0.00%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	$61.79
Weighted Harmonic Average P/E using FY1 Estimation	17.9

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.
[1] 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.
[2] 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.
[3] 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.
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
USD and FX Cash	**47,974,198**	**17.9%**	0	**0.0%**	**47,974,198**	**13.5%**	**6.0%**
USD Cash*	47,974,198	17.9%	0	0.0%	47,974,198	13.5%	6.0%
FX Cash**	0	0.0%	0	0.0%	0	0.0%	0.0%
Credit Products	**12,060,655**	**4.5%**	**0**	**0.0%**	**12,060,655**	**3.4%**	**-6.5%**
Bank Loan	0	0.0%	0	0.0%	0	0.0%	0.0%
Corp Credit	12,060,655	4.5%	0	0.0%	12,060,655	3.4%	-3.0%
Corp CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
CDS Index	0	0.0%	0	0.0%	0	0.0%	0.0%
Sovereign CDS	0	0.0%	0	0.0%	0	0.0%	0.0%
Convertible	0	0.0%	0	0.0%	0	0.0%	-3.5%
Pfd	0	0.0%	0	0.0%	0	0.0%	0.0%
Rates Products	**0**	**0.0%**	**(10,712,661)**	**12.4%**	**10,712,661**	**3.0%**	**2.4%**
Govt Bonds	0	0.0%	(10,712,661)	12.4%	10,712,661	3.0%	2.4%
Treasury Future	0	0.0%	0	0.0%	0	0.0%	0.0%
IR Swaption	0	0.0%	0	0.0%	0	0.0%	0.0%
Equity Products	**207,726,391**	**77.6%**	**(76,000,728)**	**87.6%**	**283,727,119**	**80.0%**	**-1.9%**
Equity	193,483,012	72.3%	(15,714,427)	18.1%	209,197,438	59.0%	-2.0%
Equity Option	14,201,273	5.3%	(27,372,470)	31.6%	41,573,744	11.7%	0.1%
Equity Index Future	0	0.0%	(11,044,896)	12.7%	11,044,896	3.1%	-0.3%
Equity Index Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Equity Warrant	42,106	0.0%	0	0.0%	42,106	0.0%	0.0%
ETF	0	0.0%	(21,868,935)	25.2%	21,868,935	6.2%	0.4%
Volatility Index Option	0	0.0%	0	0.0%	0	0.0%	0.0%
REIT	0	0.0%	0	0.0%	0	0.0%	0.0%
Equity Index Swap	0	0.0%	0	0.0%	0	0.0%	0.0%
Commodity Products	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0.0%**
Commodity Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Commodity Future	0	0.0%	0	0.0%	0	0.0%	0.0%
Foreign Exchange Products	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0.0%**
FX Forward	0	0.0%	0	0.0%	0	0.0%	0.0%
FX Option	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**267,761,244**	**100.0%**	**(86,713,389)**	**100.0%**	**354,474,633**	**100.0%**	

Source: Bloomberg

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

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

**FX cash is cash denominated in foreign currency and generally is a residual position from recently sold securities that has not yet been assigned to another trade or the cash equivalent bucket. In some instances, this may represent a trade in the fund.

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	254,671,857	95.1%	(84,109,355)	97.0%	338,781,211	95.6%
United Kingdom	0	0.0%	(2,604,034)	3.0%	2,604,034	0.7%
France	653,850	0.2%	0	0.0%	653,850	0.2%
Singapore	2,675,321	1.0%	0	0.0%	2,675,321	0.8%
Israel	9,760,217	3.6%	0	0.0%	9,760,217	2.8%
Total	**267,761,244**	**100.0%**	**(86,713,389)**	**100.0%**	**354,474,633**	**100.0%**

Industry Sector

GICS[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Consumer Discretionary	33,941,962	15.4%	(7,163,137)	23.7%	41,105,099	16.4%
Consumer Staples	25,395,660	11.6%	(5,271,709)	17.4%	30,667,369	12.3%
Energy	6,097,994	2.8%	0	0.0%	6,097,994	2.4%
Financials	0	0.0%	0	0.0%	0	0.0%
Health Care	95,866,844	43.6%	(15,192,426)	50.3%	111,059,270	44.4%
Industrials	24,157,508	11.0%	0	0.0%	24,157,508	9.7%
Information Technology	2,675,321	1.2%	0	0.0%	2,675,321	1.1%
Materials	7,675,282	3.5%	(2,604,034)	8.6%	10,279,316	4.1%
Telecommunication Services	23,976,475	10.9%	0	0.0%	23,976,475	9.6%
GICS Total	**219,787,046**	**100.0%**	**(30,231,305)**	**100.0%**	**250,018,352**	**100.0%**
Other[2]						
Equity Index	0	0.0%	(11,044,896)	19.6%	11,044,896	10.6%
ETF	0	0.0%	(34,724,527)	61.5%	34,724,527	33.2%
US Government	0	0.0%	(10,712,661)	19.0%	10,712,661	10.3%
USD Currency	47,974,198	100.0%	0	0.0%	47,974,198	45.9%
Other Total	**47,974,198**	**100.0%**	**(56,482,084)**	**100.0%**	**104,456,282**	**100.0%**

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

[1] 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.

[2] 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[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Automobiles & Components	922,352	0.4%	0	0.0%	922,352	0.4%
Capital Goods	3,540,600	1.6%	0	0.0%	3,540,600	1.4%
Commercial & Professional Services	13,058,340	5.9%	0	0.0%	13,058,340	5.2%
Energy	6,097,994	2.8%	0	0.0%	6,097,994	2.4%
Food & Staples Retailing	0	0.0%	(393,104)	1.3%	393,104	0.2%
Food Beverage & Tobacco	25,395,660	11.6%	(4,878,604)	16.1%	30,274,264	12.1%
Health Care Equipment & Services	26,653,980	12.1%	(15,064,251)	49.8%	41,718,231	16.7%
Iron/Steel	0	0.0%	0	0.0%	0	0.0%
Materials	7,675,282	3.5%	(2,604,034)	8.6%	10,279,316	4.1%
Media	16,553,110	7.5%	(411,137)	1.4%	16,964,247	6.8%
Pharmaceuticals, Biotechnology	69,212,864	31.5%	(128,174)	0.4%	69,341,039	27.7%
Retailing	16,466,500	7.5%	(6,752,000)	22.3%	23,218,500	9.3%
Semiconductors & Semiconductor	2,675,321	1.2%	0	0.0%	2,675,321	1.1%
Telecommunication Services	23,976,475	10.9%	0	0.0%	23,976,475	9.6%
Transportation	7,558,568	3.4%	0	0.0%	7,558,568	3.0%
GICS Group Total	**217,908,148**	**100.0%**	**(20,003,466)**	**100.0%**	**237,911,614**	**100.0%**
Other[2]						
Equity Index	0	0.0%	(11,044,896)	19.6%	11,044,896	10.6%
ETF	0	0.0%	(34,724,527)	61.5%	34,724,527	33.2%
US Government	0	0.0%	(10,712,661)	19.0%	10,712,661	10.3%
USD Currency	47,974,198	100.0%	0	0.0%	47,974,198	45.9%
Other Total	**47,974,198**	**100.0%**	**(56,482,084)**	**100.0%**	**104,456,282**	**100.0%**

Derivatives Characteristics

Derivatives Premium (% of AUM) (Excluding Fixed-Income Derivatives)	1.99%
Equity Delta (% of AUM) per 1% underlying move	0.54%
Equity Gamma (% of AUM) per 1% underlying move	0.01%
Vega (% of AUM) per 1 point vol move	0.12%
Theta (% of AUM) per 1 day change	-0.01%
Currency Delta (% of AUM) per 1% underlying move	-0.01%

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

[1] 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.

Contributors (by Trade Type)

TOP 5	
Equity Catalyst Driven	0.36%
Equity Catalyst Driven	0.35%
Equity Catalyst Driven	0.32%
Equity Catalyst Driven	0.28%
Equity Catalyst Driven	0.23%
Total	**1.54%**

BOTTOM 5	
Portfolio Hedge	-0.64%
Equity Catalyst Driven	-0.36%
Risk Arbitrage	-0.29%
Portfolio Hedge	-0.23%
Equity Catalyst Driven	-0.21%
Total	**-1.72%**

[2] 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

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 contain 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.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on August 11, 2015 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. 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.

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:

Equity catalyst-driven: Event-driven trades that are expressed predominately through equity positions.

Bond catalyst-driven: Event-driven trades that are expressed predominately through bond positions.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

Deep value: rade that attempts to capture the mispricing of an extremely undervalued security.

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

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.