

Driehaus Micro Cap Growth Fund

KEY FEATURES

- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

INCEPTION DATE

November 18, 2013

The fund's predecessor limited partnership has a performance inception date of 1/1/2003.

FUND ASSETS UNDER MANAGEMENT

\$386.0 million

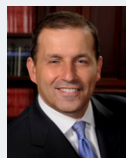
FIRM ASSETS UNDER MANAGEMENT

\$8.3 billion

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Jeff James
Portfolio Manager
26 years of investment experience



Michael Buck
Assistant Portfolio Manager
17 years of investment experience

MARKET OVERVIEW

The first quarter was positive for US equities, with most market indices up in the mid-single digit percentage range. Notably, micro cap stocks (defined as market caps of US\$1 billion and under) as a category broadly underperformed the US equity market, including small caps. The optimism towards the pro-business Trump agenda and its anticipated positive impact on the economy and earnings continued to push equities higher, despite the apparent chaos and lack of actual reform and legislation in the administration's first 100 days. The effort to repeal and replace Obamacare failed as the House of Representatives splintered into several camps and the American Health Care Act bill couldn't even muster enough support for an actual vote. This reduced the market's confidence that tax reform, infrastructure, deregulation and other pro-growth initiatives will be passed in the near-term. The resiliency of the market and the lack of volatility seen in the quarter was striking, given high valuations, lack of political progress, geopolitical tensions in North Korea and Syria, Federal Reserve rate hikes, slower GDP and earnings growth and a flattening of the yield curve.

With all the headwinds, the market's strength in the quarter was likely due to investors looking towards a wide number of positive factors. The economic outlook in the US and around the globe remains solid. Growth should improve from the slower March quarter as the year goes

forward. Consumer, small business and CEO confidence recently reached multi-year highs. The Citi Economic Surprise Index hit its highest level in over three years. The labor markets remain supportive as job openings are robust, the unemployment rate hit a new cycle low of 4.5% while average hourly wages are rising and weekly jobless claims continue to hover near 40 year lows. The US Institute for Supply Management surveys for the manufacturing and services sectors remain strong. Purchasing Manager's Index readings improved robustly in Europe and other regions. Inflation is rising but remains historically low. The credit markets and spreads remain healthy. One key barometer to monitor is the yield curve, which has flattened over the past several months after expanding rapidly post-election. This could be a sign that the credit markets believe economic growth may slow rather than improve. Overall, given the combination of high valuations and the mixed macro and political backdrop, we believe the 2017 outlook for equities and micro/small caps should remain positive but will likely result in a low return environment. An improving economy, accelerating earnings and/or US corporate tax cuts (increasingly a 2018 event) would resolve the high valuation dynamic over time.

The March quarter was trickier than the indices positive returns would suggest as the style, stock and sector leadership

in the quarter was very much a reversal from the leadership in 2016. For instance: small caps (especially micro caps) lagged vs large caps in the quarter, after outperforming in 2016. Within the Russell 2000, the smallest quintile of stocks went from being the best cohort in 2016, to the worst in the first quarter. Growth as a style led over value in the first quarter, after value sharply outperformed in 2016. Banks lagged in the quarter, after being the best performing sub-sector in 2016. Healthcare, led by biotech, went from the worst sector in 2016 to the best in the first quarter. And energy went from the second best in 2016 to the worst in the first quarter. Finally, the fastest growers (quintile one) did best in the first quarter while the slowest growers (quintile five) were the best in 2016.

PERFORMANCE REVIEW

For the first quarter, the Driehaus Micro Cap Growth Fund underperformed its benchmark. The fund returned 0.63%, net of fees, while the Russell Micro Growth Index rose 2.63%.¹ Micro cap stocks as a category broadly underperformed the US equity market, including small caps. By sector, the

fund's relative underperformance occurred in health care, technology, and energy. The fund outperformed in the industrials, consumer discretionary and consumer staples sectors.

Despite the rapid rotation and leadership changes in the market, strong earnings across the fund drove the results. On a sub-sector basis, within healthcare, medical devices and biotech led the

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outperformance in that sector. Strength in technology was broad-based as software, electronic equipment and semiconductors led the outperformance. Industrials positively contributed with numerous stocks and sub-sectors, including aerospace and defense, electrical equipment, distributors, building products and airlines.

On the lagging side, the energy rally ended as the sector sold off sharply in March as

crude oil inventories rose and drove the price of crude back below \$50 a barrel. The materials sector also trailed as the crude oil price decline helped drive a pullback in some commodities. In addition, the portfolio was slightly underweight the strong chemical sector. Finally, despite strong earnings and positive bottom-up outlooks, the banking sub-sector also lagged late in the quarter as the yield curve flattened, rates fell and the prospects for deregulation and tax cuts dimmed near-term.

OUTLOOK & POSITIONING

Early in April, the equity market has become more turbulent and small caps as a class have continued to trail

larger stocks. Part of this is likely just mean reversion as small caps have now retraced much of the outperformance after the November election. Another driver of recent market choppiness is investor frustration with the lack of progress on pro-growth policies, especially corporate tax reform. Volatility will likely increase as initial optimism about the Trump administration fades and the market's patience is tested by what has historically been a slow-moving legislative process. Geopolitical

¹Performance 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. The Fund will charge a redemption fee of 2.00% on shares held less than 60 days. Performance data represents the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change, while cumulative total return reflects aggregate change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

issues, growing inflation expectations, the shape of the yield curve and the Federal Reserve's pace of rate increases may also generate market turbulence. Nonetheless, prospects for economic growth have improved with many sectors benefitting. While absolute valuations are high, growth equities have become relatively attractive on a historical basis given the dramatic 2016 outperformance of value stocks. The same is true for relative valuations, now favoring small caps versus large caps.

In terms of positioning, the fund is overweight the following sectors: industrials, financials and consumer staples. Health care, technology, industrials and consumer discretionary are the four largest absolute weightings. The fund is underweight health care, consumer discretionary, real estate, materials and energy.

We have strong conviction in the current fundamentals and outlooks for the holdings in the fund. We continue to focus on companies with high revenue and earnings visibility, strong end markets and healthy balance sheets. We have an abundant number of well positioned growth companies that are differentiated, innovative and market leaders, which we believe will continue to exceed forward expectations.

This update is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment fund or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives.

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PERFORMANCE as of 3/31/17

	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 1/1/03
Driehaus Micro Cap Growth Fund¹	0.63%	0.63%	30.70%	6.26%	16.06%	9.89%	16.68%
Russell Microcap [®] Growth Index ²	2.63%	2.63%	20.24%	1.62%	10.72%	5.51%	9.37%

ANNUAL FUND OPERATING EXPENSES³

Management fee:	1.25%	Other expenses:	0.28%	Total annual fund operating expenses:	1.53%
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SECTOR PERFORMANCE ATTRIBUTION 1st Quarter — 12/31/16 to 3/31/17

	Driehaus Micro Cap Growth Fund (Port) (%)		Russell Microcap [®] Growth Index ¹ (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
GICS Sector							
Consumer Discretionary	14.87	-0.28	13.97	-0.28	-0.11	0.08	-0.03
Consumer Staples	3.97	0.32	2.73	-0.05	-0.04	0.37	0.33
Energy	5.15	-0.85	2.60	-0.33	-0.11	-0.41	-0.52
Financials	6.97	-0.04	5.56	-0.11	-0.11	0.15	0.05
Health Care	28.46	1.42	37.87	2.41	-0.43	-0.32	-0.76
Industrials	13.26	0.20	9.71	-0.20	-0.14	0.43	0.29
Information Technology	20.47	1.03	18.40	1.06	0.05	-0.18	-0.13
Materials	1.36	-0.09	2.27	0.03	0.01	-0.11	-0.11
Real Estate	1.39	0.06	3.24	0.06	0.00	0.04	0.04
Telecom. Services	2.12	-0.37	2.45	-0.03	-0.01	-0.32	-0.33
Utilities	0.41	-0.30	1.19	-0.06	0.02	-0.24	-0.22
Cash	1.57	-0.31	0.00	0.00	-0.32	0.00	-0.32
Unassigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	0.79	100.00	2.49	-1.19	-0.52	-1.71

Data as of 3/31/17 Sources: Russell Investments, eVestment Alliance, LLC, SS&C Inc., Russell Investments and Standard & Poor's Global Industry Classification Standard and Driehaus Capital Management LLC. 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. The Fund will charge a redemption fee of 2.00% on shares held less than 60 days. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information. **Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111 or visit www.driehaus.com. Please read the prospectus carefully before investing.** ¹The average annual total returns of the Driehaus Micro Cap Growth Fund include the performance of one of the Fund's predecessor limited partnerships, which is calculated from January 1, 2003, before the Fund commenced operations and succeeded to the assets of its predecessors on November 18, 2013. The Fund's predecessors are the Driehaus Micro Cap Fund, L.P. (1996 inception) and the Driehaus Institutional Micro Cap Fund, L.P. (2011 inception). The performance of the Driehaus Micro Cap Fund, L.P., which was selected because it has the longer track record of the two predecessor partnerships, has been restated to reflect estimated expenses of the Fund. The predecessor limited partnerships were not registered under the Investment Company Act of 1940, as amended ("1940 Act") and thus were not subject to certain investment and operational restrictions that are imposed by the 1940 Act. If the predecessors had been registered under the 1940 Act, their performance may have been adversely affected. After-tax performance returns are not included for the Driehaus Micro Cap Fund, L.P. The predecessors were not regulated investment companies and therefore did not distribute current or accumulated earnings. ²The Russell Microcap[®] Growth Index is constructed to provide a comprehensive and unbiased barometer of the microcap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate microcap growth manager's opportunity set. The index has an inception date of July 2000. ³Represents the estimated 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. "Other Expenses" are estimated for the current fiscal year. The Russell Indices are a trademark/service mark of the Frank Russell Company. Russell is a trademark of the Frank Russell[®] Company. 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. Driehaus Securities LLC, Distributor

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. **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.

TOP 5 HOLDINGS¹ (as of 2/28/17)

Company	Sector	Description	% of Fund
GTT Communications, Inc.	Information Technology	A provider of cloud networking services	2.2%
Loxo Oncology Inc	Health Care	A biopharmaceutical company	2.2%
Blueprint Medicines Corp.	Health Care	A biopharmaceutical company	2.2%
Impinj, Inc.	Information Technology	Designs semiconductors to adapt to their surroundings	2.1%
NeoGenomics, Inc.	Health Care	An operator of a network of cancer-focused genetic testing laboratories	1.8%

SECTOR WEIGHTS

Month-End Absolute Weights

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecomm. Services	Utilities	Cash	Unassigned
Fund	12.0%	3.8%	1.7%	5.6%	28.2%	10.4%	16.7%	1.0%	1.2%	1.2%	0.0%	9.2%	9.0%
Benchmark	13.9%	2.7%	2.4%	5.6%	38.6%	9.6%	18.2%	2.2%	3.3%	2.2%	1.2%	0.0%	0.0%
Active Weights	-1.8	1.1	-0.8	0.0	-10.5	0.8	-1.5	-1.2	-2.1	-1.0	-1.2	9.2	9.0

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark	5-year period	Fund	Benchmark
Number of Holdings	120	871	Annualized Alpha	4.56	n/a
Weighted Avg. Market Cap (M)	\$3,068	\$565	Sharpe Ratio	0.80	0.60
Median Market Cap (M)	\$741	\$192	Information Ratio	0.78	n/a
Active Share (3-year avg.) ²	80.09	n/a	Beta	1.06	1.00
Market Cap Breakout			Standard Deviation	20.04	17.82
< \$1 billion	64.4%	90.7%	Tracking Error	6.81	0.00
> \$1 billion	35.6%	9.3%	R-squared	0.89	1.00

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

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Data as of 3/31/17. Benchmark: Russell Microcap[®] Growth Index¹Holdings subject to change. ²Data is calculated monthly.

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 this Fund may not experience similar performance results as its assets grow. The securities of micro-cap companies may be more volatile in price, have wider spreads between their bid and ask prices, and have significantly lower trading volumes than the securities of larger capitalization companies. As a result, the purchase and sale of more than a limited number of shares of the securities of a smaller company may affect its market price. Growth stocks may involve special risks and their prices may be more volatile than the overall market. 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. These and other risk considerations are discussed in the Fund's prospectus. **Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111 or visit www.driehaus.com. Please read the prospectus carefully before investing.**

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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.