

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

\$299.0 million

FIRM ASSETS UNDER MANAGEMENT

\$8.8 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 second quarter was positive for US equities with the major indices appreciating by a low-to -mid single-digit percentage.

Notably, micro cap stocks (defined as market caps of US\$1 billion and under) as a category broadly outperformed the US equity market. Firmer economic growth and better corporate earnings boosted equities during the second quarter. The macro environment was characterized by improving US and global economic growth, low volatility, lower prices for crude oil and other commodities, a weaker US dollar, lower US treasury yields and a yield curve that flattened somewhat (although yields and the curve have reversed higher in the past two weeks).

Following the US election in November, value and cyclical stocks rallied sharply on the hopes of accelerating economic growth and higher inflation creating one of the widest divergences in the performance of value versus growth in many years. In contrast, the first half of 2017 was dominated by the return of growth outperforming value. Economic growth, while positive and sustainable, remains in the low 2% range, and not in the 3-4% range that post-election hopes entertained. Inflation and wage growth remain low.

This combination of low economic growth and subdued inflation are keeping yields low and contributing to the return of growth's leadership versus value.

The Federal Reserve (Fed) remains in a pattern of raising/normalizing rates as economic growth is positive and the labor markets head toward full employment. The Fed is also preparing the market for balance sheet normalization. Other central banks, such as the European Central Bank, are also sounding more hawkish. While these are all tightening steps, the pace is so measured that monetary policy remains very accommodative, which is positive for sustained economic growth, credit conditions and equity markets.

Overall, the first half of 2017 was a positive one for equities as earnings growth re-accelerated and the economic outlook improved. Historically, a strong first half under these conditions bodes well for equity performance in the second half. Market valuations remain elevated overall but as earnings growth has improved, market multiples have actually remained flat or even dropped in the first half as earnings growth outpaced the market's appreciation year to date for most market cap ranges.

PERFORMANCE REVIEW

For the second quarter, the Driehaus Micro Cap Growth Fund returned 8.41%, net of fees, while the Russell Micro Growth Index rose 5.29%.¹ Micro cap stocks as a category outperformed the US equity market, including small, mid and large caps. By style, growth outperformed value across the board for all market cap ranges. By sector, the fund's relative outperformance occurred in health care, technology, consumer discretionary and staples, financials and industrials. The fund underperformed in the materials, energy and telecom sectors.

Strong earnings across the fund drove the results. In addition, the fundamental outlook for our holdings remained strong. In particular, several biotechnology stocks and a handful of semiconductor stocks contributed sizeable returns on the back of superior data efficacy presentations (biotech) and strong earnings surprises (semiconductors). On a sub-sector basis, within healthcare, medical devices and biotech led the outperformance in that sector. Technology's outperformance was broad-based, led by software, electronic equipment and semiconductors. Following an extended run of outperformance, the overweight in technology was reduced in June. Industrials contributed positively, aided by numerous stocks and sub-sectors,

including aerospace and defense, electrical equipment, distributors, and building products.

While overall portfolio outperformance was broad-based, in terms of lagging sectors, materials and energy were hurt by weak commodity prices and weak sector performance. The exposure to these sectors was minimal.

OUTLOOK & POSITIONING

While the pace of economic growth could be higher, most economic indicators remain generally supportive of sustainability. The Conference Board's Leading Economic Indicators (LEI) hit a new cycle high during the quarter. Looking back over the past several decades, when the LEI have hit a new cycle high, it has coincided with multiple years remaining in the economic cycle. Credit conditions, inflation, the yield curve, and various key sectors suggest sustainability as well.

Volatility remains low and will likely increase in the third quarter, as it often does. Initial optimism about the Trump administration could continue to fade as the market's patience is tested by what has historically been a slow-moving legislative process. Geopolitical issues, growing inflation expectations, the shape

of the yield curve and the Fed's pace of rate increases may also generate market turbulence. Nonetheless, prospects for economic growth have improved and many sectors have benefitted. While absolute valuations are high, growth equities have become relatively attractive on a historical basis, given their better earnings and the dramatic outperformance over value stocks last year. 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: consumer discretionary, technology and industrials. Health care, technology, industrials and consumer discretionary are the four largest absolute weightings. The fund is underweight health care, 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 a number of well positioned growth companies that are differentiated, innovative and market leaders, which we believe will continue to exceed forward expectations.

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

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. This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC ("Driehaus") as of July 14, 2017 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since July 14, 2017 and may not reflect recent market activity. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

PERFORMANCE as of 6/30/17

	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 1/1/03
Driehaus Micro Cap Growth Fund¹	8.41%	9.09%	32.95%	11.90%	19.80%	9.04%	17.02%
Russell Microcap [®] Growth Index ²	5.29%	8.07%	22.71%	4.61%	12.76%	5.57%	9.59%

ANNUAL FUND OPERATING EXPENSES³

Management fee:	1.25%	Other expenses:	0.23%	Total annual fund operating expenses:	1.48%
-----------------	-------	-----------------	-------	---------------------------------------	-------

SECTOR PERFORMANCE ATTRIBUTION 2nd Quarter — 3/31/17 to 6/30/17

	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	14.89	0.30	13.44	0.59	0.05	-0.40	-0.35
Consumer Staples	4.04	0.05	2.63	-0.10	-0.13	0.20	0.07
Energy	2.18	-0.43	2.28	-0.28	-0.04	-0.08	-0.12
Financials	4.82	0.11	5.55	0.14	-0.07	0.08	0.01
Health Care	32.81	4.12	38.09	1.74	-0.04	2.72	2.68
Industrials	12.89	0.36	9.65	0.17	-0.18	0.17	0.00
Information Technology	22.41	4.09	18.57	1.14	0.13	2.48	2.61
Materials	1.75	-0.10	2.16	0.02	0.01	-0.13	-0.11
Real Estate	1.73	-0.08	3.24	0.16	-0.05	-0.12	-0.16
Telecom. Services	1.86	0.51	3.16	1.58	-0.53	-0.49	-1.02
Utilities	0.00	0.00	1.23	0.11	-0.04	0.00	-0.04
Cash	0.63	0.00	0.00	0.00	0.12	0.00	0.12
Other	0.00	-0.32	0.00	0.00	-0.33	0.00	-0.33
Total	100.00	8.62	100.00	5.26	-1.09	4.44	3.36

Data as of 6/30/17 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, 2017. 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 5/31/17)

Company	Sector	Description	% of Fund
Impinj, Inc.	Information Technology	Designs semiconductors to adapt to their surroundings	2.9%
Ichor Holdings, Ltd.	Information Technology	Provides critical fluid delivery subsystems for semiconductor capital equipment	2.2%
Loxo Oncology Inc	Health Care	Biopharmaceutical company	2.1%
GTT Communications, Inc.	Information Technology	Provider of cloud networking services	2.1%
Mimecast Limited	Information Technology	E-mail and data security company	2.1%

SECTOR WEIGHTS

Month-End Absolute Weights												
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecomm. Services	Utilities	Cash
Fund	16.4%	3.2%	1.5%	5.2%	32.4%	13.7%	21.7%	2.3%	1.3%	2.0%	0.0%	0.4%
Benchmark	10.5%	2.7%	2.6%	8.3%	37.0%	11.3%	20.5%	2.3%	2.2%	1.6%	1.1%	0.0%
Active Weights	5.9	0.6	-1.1	-3.1	-4.7	2.4	1.2	0.1	-0.9	0.4	-1.1	0.4

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark	5-year period	Fund	Benchmark
Number of Holdings	127	878	Annualized Alpha	5.91	n/a
Weighted Avg. Market Cap (M)	\$938	\$524	Sharpe Ratio	1.02	0.73
Median Market Cap (M)	\$764	\$230	Information Ratio	1.08	n/a
Active Share (3-year avg.) ²	80.02	n/a	Beta	1.06	1.00
Market Cap Breakout			Standard Deviation	19.32	17.25
< \$1 billion	58.2%	95.4%	Tracking Error	6.54	0.00
> \$1 billion	41.8%	4.6%	R-squared	0.89	1.00

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

Data as of 6/30/17. 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.**

Driehaus Securities LLC, Distributor

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell[®] is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

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.