

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

\$345.2 million

FIRM ASSETS UNDER MANAGEMENT

\$8.6 billion

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Jeff James

Portfolio Manager

25 years of investment experience



Michael Buck

Assistant Portfolio Manager

15 years of investment experience

MARKET OVERVIEW

The third quarter of 2016 was a positive period for US equities. Stocks rebounded from the post-Brexit selloff as the outlook for US economic growth and earnings improved for the second half of 2016. This improvement was a follow-through from the economy and corporate earnings bottoming near the February lows in crude oil and the credit markets. Smaller stocks outperformed larger ones and growth outperformed value for the quarter, a reversal compared to the prior 12 months. There was a clear sector shift from defensive, yield-related sectors to more pro-cyclical and more traditional growth-related sectors. This improved environment for risk assets and multiple expansion benefited from the better US economic data and the dovish commentary from the Federal Reserve as expectations for the next US central bank rate hike were pushed out from the summer to September, and then to December.

The environment for equities was favorable during the quarter as the US continued to trend in the right direction. Outside of energy and materials, US corporate earnings remain favorable. Generally positive credit conditions, improving wage growth, robust labor market data (low jobless claims, strong JOLTS numbers), and low inflation suggests this slow-growing yet positive economic cycle is sustainable while

concerns about the pace of growth and global pressures keep the Federal Reserve handcuffed.

Despite the strong market action this quarter, two major events are keeping investor sentiment at bay. First, the often toxic rhetoric from the presidential race is consuming the daily headlines and creating needless worry. Washington will likely remain gridlocked following the election, preventing major policy shifts next year. Secondly, and more importantly, as we near a likely rate hike the market is getting choppy. The market is consolidating the strong move it has enjoyed since February, but its technical picture is starting to deteriorate. The early autumn period seems to bring market turmoil almost annually, and the Fed, the rising US dollar, and its subsequent effects seem to be the primary concerns this time.

Some pullback and digestion of gains should be expected after a couple strong quarters. Looking ahead, the upcoming earnings season is likely to bring generally positive news updates and encouraging outlooks for most companies and positive economic growth should continue. As long as the dollar doesn't advance too far and the Fed doesn't get too hawkish, the market should finish the year on a positive note as seasonal strength kicks in.

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PERFORMANCE REVIEW

For the third quarter, the Driehaus Micro Cap Growth Fund outperformed its benchmark. The fund returned 20.52% while the Russell Microcap Growth Index returned 11.92%.¹

By sector, the fund's relative outperformance was achieved in nearly all sectors with the most positive outperformance occurring, in descending order, in technology, health care, energy and telecommunications. Modest sector underperformance occurred in materials and consumer discretionary. Despite a generally healthy and arguably improving outlook for the consumer, the consumer discretionary sector was weak as retail and restaurant same store sales disappointed.

On an absolute basis, most sectors had positive returns, particularly technology, health care, energy and telecommunications, which all advanced strongly in the portfolio, ranging roughly from 20% to 35% for the quarter. The exceptions were the tiny sectors of real estate and materials, which fell during the period as yields rose and most commodities lacked strength. In terms of

subsectors, strength was widespread as communications equipment (fiber optics), semiconductors, software, biotech/pharma, medical devices, oil service, exploration and production, biotechnology, and various industrials segments all led in terms of strong outperformance.

OUTLOOK & POSITIONING

The near-term outlook for the market has weakened recently as has the technical picture. We still find far more positives than

“We still find far more positives than negatives but seasonal weakness, the rising dollar, pre-earnings season volatility, concern about the Fed’s intentions and the election overhang are causing some choppiness.”

negatives but seasonal weakness, the rising dollar, pre-earnings season volatility, concern about the Fed’s intentions and the election overhang are causing some choppiness.

In the intermediate term, market movement will remain dependent on the sustainability of economic growth and positive earnings. We believe both will continue. Of course, the strength of any advance will be influenced by Fed’s outlook for monetary policy and the

strength of economic and earnings growth. 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 are market leaders that we believe will continue to exceed forward expectations.

The fund is currently overweight industrials and energy. Technology, which had been a strong overweight the past few quarters, was reduced in early October as we took some profits after strong

absolute and relative outperformance. Consumer staples is also an equal weight. Health care remains the portfolio’s largest absolute weight but is a relative sector underweight. Other sector underweights are real estate, financials and materials. Overall, we continue to discover many exciting businesses that have strong, sustainable earnings growth and we have high conviction in the dynamic and innovative companies we hold.

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

PERFORMANCE as of 9/30/16

| | Annualized Total Return | | | | | | |
|---|-------------------------|---------------|---------------|---------------|---------------|---------------|------------------|
| | QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Inception 1/1/03 |
| Driehaus Micro Cap Growth Fund¹ | 20.52% | 16.48% | 16.67% | 10.12% | 22.52% | 12.37% | 17.18% |
| Russell Microcap [®] Growth Index ² | 11.92% | 5.32% | 10.27% | 5.04% | 16.06% | 6.20% | 9.40% |

ANNUAL FUND OPERATING EXPENSES³

| | | | | | |
|-----------------|-------|-----------------|-------|---------------------------------------|-------|
| Management fee: | 1.25% | Other expenses: | 0.28% | Total annual fund operating expenses: | 1.53% |
|-----------------|-------|-----------------|-------|---------------------------------------|-------|

SECTOR PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/16 to 9/30/16

| | 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 | 12.30 | 0.58 | 14.10 | 0.93 | 0.11 | -0.32 | -0.20 |
| Consumer Staples | 2.45 | -0.02 | 2.92 | 0.06 | 0.04 | -0.05 | -0.01 |
| Energy | 3.57 | 1.16 | 2.53 | 0.21 | -- | 0.85 | 0.85 |
| Financials | 2.73 | 0.06 | 4.89 | 0.38 | 0.11 | -0.13 | -0.02 |
| Health Care | 29.75 | 6.18 | 38.27 | 5.86 | -0.23 | 1.47 | 1.24 |
| Industrials | 14.76 | 2.21 | 9.06 | 1.41 | 0.28 | -0.21 | 0.06 |
| Information Technology | 29.80 | 9.88 | 19.50 | 2.66 | 0.21 | 5.73 | 5.95 |
| Materials | 1.45 | -0.03 | 2.35 | 0.35 | 0.06 | -0.34 | -0.28 |
| Real Estate | 0.27 | -0.04 | 2.98 | 0.14 | 0.20 | -0.04 | 0.16 |
| Telecomm. Services | 1.78 | 0.44 | 2.35 | 0.01 | 0.11 | 0.42 | 0.53 |
| Utilities | -- | -- | 1.06 | -0.12 | 0.28 | -- | 0.28 |
| Cash | 1.13 | -0.34 | 0.00 | -- | -0.36 | -- | -0.36 |
| Total | 100.00 | 20.07 | 100.00 | 11.88 | 0.80 | 7.38 | 8.19 |

Data as of 9/30/16 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. **Currency Effect** - The currency effect is the portion of the total effect the portfolio manager can potentially influence by using currency hedging. **Total Effect** - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

TOP 5 HOLDINGS¹ (as of 8/31/16)

| Company | Sector | Description | % of Fund |
|-----------------------------|------------------------|---|-----------|
| Acacia Communications, Inc. | Information Technology | Engaged in delivering coherent optical interconnect products | 4.2% |
| Oclaro, Inc. | Information Technology | A provider of optical components, modules and subsystems | 2.1% |
| Blueprint Medicines Corp. | Health Care | A biopharmaceutical company | 1.9% |
| NeoGenomics, Inc. | Health Care | An operator of a network of cancer-focused genetic testing laboratories | 1.9% |
| Inphi Corporation | Information Technology | A provider of analog and mixed signal semiconductor solutions | 1.7% |

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 | 12.4% | 2.9% | 4.1% | 2.3% | 33.3% | 12.2% | 29.4% | 0.4% | 0.0% | 2.0% | 0.0% | 1.0% |
| Benchmark | 13.6% | 2.6% | 2.5% | 4.8% | 39.0% | 9.4% | 19.3% | 2.5% | 2.9% | 2.3% | 1.0% | 0.0% |
| Active Weights | -1.2% | 0.3% | 1.6% | -2.5% | -5.7% | 2.8% | 10.1% | -2.1% | -2.9% | -0.3% | 1.0% | 1.0% |

PORTFOLIO CHARACTERISTICS

| | Fund | Benchmark | 5-year period | Fund | Benchmark |
|---|---------|-----------|--------------------|-------|-----------|
| Number of Holdings | 117 | 873 | Annualized Alpha | 5.27 | n/a |
| Weighted Avg. Market Cap (M) | \$1,060 | \$498 | Sharpe Ratio | 1.10 | 0.87 |
| Median Market Cap (M) | \$760 | \$190 | Information Ratio | 0.94 | n/a |
| Active Share (3-year avg.) ² | 79.70 | n/a | Beta | 1.04 | 1.00 |
| Market Cap Breakout | | | Standard Deviation | 20.36 | 18.37 |
| < \$1 billion | 63.3% | 97.2% | Tracking Error | 6.89 | 0.00 |
| > \$1 billion | 36.7% | 2.8% | R-squared | 0.89 | 1.00 |

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

Data as of 9/30/16. 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.