



DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND

January 2015 Summary

Ticker: DRESX

Fund objective:

Provide risk-adjusted returns and down-market capture ratios superior to the MSCI EM Small Cap Index over full market cycles

Overview:

- An earnings growth momentum approach to EM small cap equities
- The fund seeks a lower risk profile through hedging
- Same portfolio management team since the fund's inception
- A long-bias fund with a net exposure generally 60-90%, ex-cash

Investment universe:

Emerging markets small cap equity and derivatives

Fund AUM: \$535 million

Inception date: December 1, 2008*

Ticker: DRESX

Portfolio managers:

Chad Cleaver, CFA
Lead Portfolio Manager
13 years experience

Howard Schwab
Co-Portfolio Manager
14 years experience

Trent DeBruin, CFA
Assistant Portfolio Manager
9 years experience

**The Fund's predecessor limited partnership has an inception date of 12/1/2008.*



You Know Why I'm Here

"Wrong horse fellas" – tweet from Indianapolis Colts punter Pat McAfee in response to all six panelists on ESPN Sunday NFL Countdown picking the Denver Broncos to beat the Colts in the NFL playoffs

For 30 years, ESPN's Sunday NFL Countdown has been a heavily watched pregame show, previewing football matchups that occur later in the day. The show, featuring ESPN legend Chris Berman as its host, has won seven Sports Emmy Awards for Outstanding Weekly Show. It has also launched numerous catchphrases by Mr. Berman, which are recognizable to NFL fans everywhere, such as his famous "HE...COULD...GO...ALL...THE...WAY!!" and creative nicknames such as Jake "Daylight come and you gotta go" Delhomme.

A tradition of the show is to poll the set of six expert panelists on who will win the day's matchups. The panelists feature a mix of sports journalists, former coaches and former players, including such notable personalities as Mike Ditka and Keyshawn Johnson.

Despite being a huge Chris Berman fan, I seldom get to watch the show, as I am normally running errands or catching up on work, in order to free up time to watch the games later in the day. However, on the day of the Colts-Broncos playoff game in early January, I happened to be on a treadmill, and with my beloved Colts facing a critical matchup later that day, I decided to find out what the "experts" thought their chances were. Unfortunately, the outlook was not good. Not a single panelist expected the Colts to win. My first instinct was to think "oh no," as I had visions of the drubbing that the Denver Broncos applied to the Colts in week 1 of the season (don't let the final score of 31-24 fool you, the game was out of reach until the Colts notched some garbage points in the fourth quarter). However, this apprehension had a silver lining, as I thought "I work in an industry in which the overwhelming consensus view is often the wrong one... perhaps the same logic applies here."

And of course, this is precisely what happened. Broncos quarterback Peyton Manning was inaccurate in his attempts to throw the ball deep, standout wide receiver Demaryius Thomas had three dropped passes, and Colts quarterback Andrew Luck was masterful in dissecting Denver's defense. Moreover, every lucky break seemed to go in the Colts' favor. It turned out to be a great day to be a Colts fan.

However, there is more to the story than simply the consensus being wrong. They were wrong despite mounting evidence that pointed to a potential Colts victory. True, Denver hadn't lost at home all year. Also true that Indianapolis had played miserably against most playoff caliber teams, including the aforementioned week 1 drubbing at the hands of the reigning Super Bowl runner-up Broncos. However, Manning faded significantly over the course of the season. In fact, over the prior two games he notched an average 71.0 quarterback rating vs. Luck's 119.7. Moreover, Denver was beaten by the Cincinnati Bengals only two weeks prior to the matchup against the Colts, a team that Indianapolis had an easy time defeating in round one of the playoffs. Luck and the Colts had strengthening momentum, while Manning and the Broncos were showing signs of weakening.

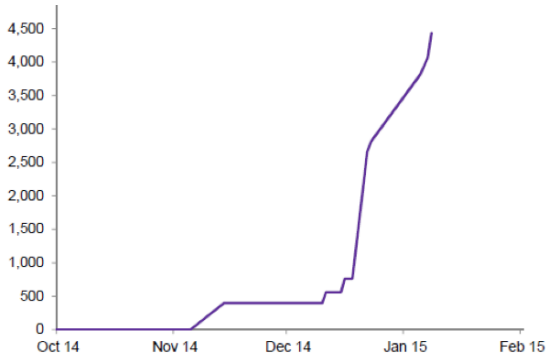
If we were to apply this lesson to the equity markets today, the same sentiment would hold true for oil and equities tied to the energy sector. Fund manager surveys show investors' downright revulsion for the energy sector. I can't remember the last time a broker dared call me to pitch an E&P (exploration and production) stock. They are much too eager to talk about airlines and the enormous "tax cut" felt by the consumer as a result of declining gasoline prices. However, as Exhibits 1 & 2 from Goldman Sachs note, there are swift cuts in E&P spending taking place. Also, compared to past downturns in the oil price, the rig count has reacted more rapidly in this episode.

Driehaus Alternative Strategies

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

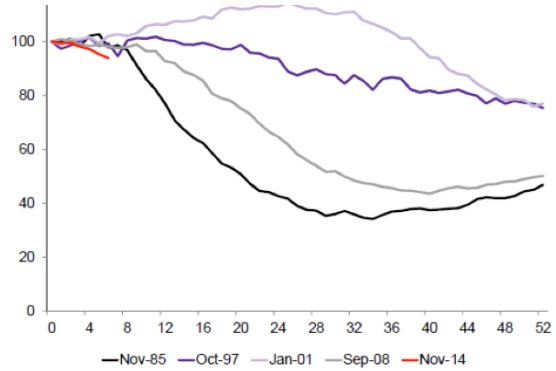
- [Driehaus Active Income Fund \(LCMAX\)](#)
- [Driehaus Select Credit Fund \(DRSLX\)](#)
- [Driehaus Event Driven Fund \(DEVDX\)](#)
- [Driehaus Emerging Markets Small Cap Growth Fund \(DRESX\)](#)

Exhibit 1: Cumulative cuts in US E&P 2015 capex (million \$)



Sources: Goldman Sachs, company data

Exhibit 2: Indexed US oil rig count (100 as of peak) vs. weeks from peak



Sources: Goldman Sachs, Baker Hughes

While many strategists are leaving the door open for higher prices (it can't go to zero, after all!) they expect that it could take several quarters, if not years, for the price to turn around. However, as Chris Berman might counter, "but that's why they play the game!"

Positioning and Performance Review

The Driehaus Emerging Markets Small Cap Growth Fund returned 1.29% in January compared to the MSCI Emerging Markets Small Cap Index return of 1.45% and the MSCI Emerging Markets Index return of 0.59%¹. Continuing its strong performance from last year, India contributed positively to performance year to date. Conversely, Brazil was a drag on performance as growth estimates continue to be revised down in light of a deteriorating macro backdrop. Hedging was a modest positive contributor to the monthly return. We came into the year with a slightly positive bias, recognizing the potential for large scale asset purchases in Europe to dampen volatility. Thus, amid the choppy markets that characterized January, the hedge ranged between 15-25% of assets under management on a delta-adjusted basis.

Outlook

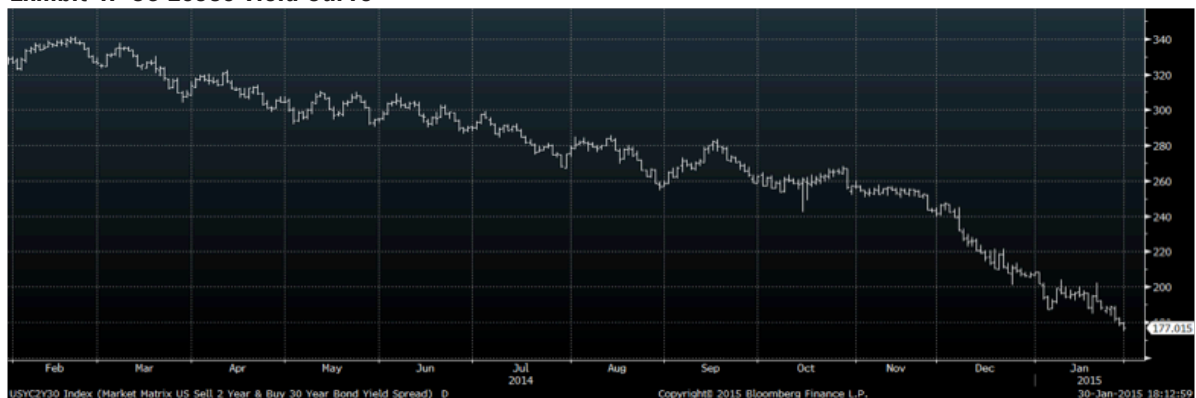
As we exit January, we see signs of increasing vulnerability in equity markets, and have raised our hedge position to 36% as of month-end. We revisit three factors that were highlighted in our [October 2014 letter](#), which continue to weigh on the macro outlook. These include the strength of the US dollar, the flattening yield curve and breakeven inflation rates.

Exhibit 3: US Dollar Index



Source: Bloomberg

Exhibit 4: US 2s30s Yield Curve

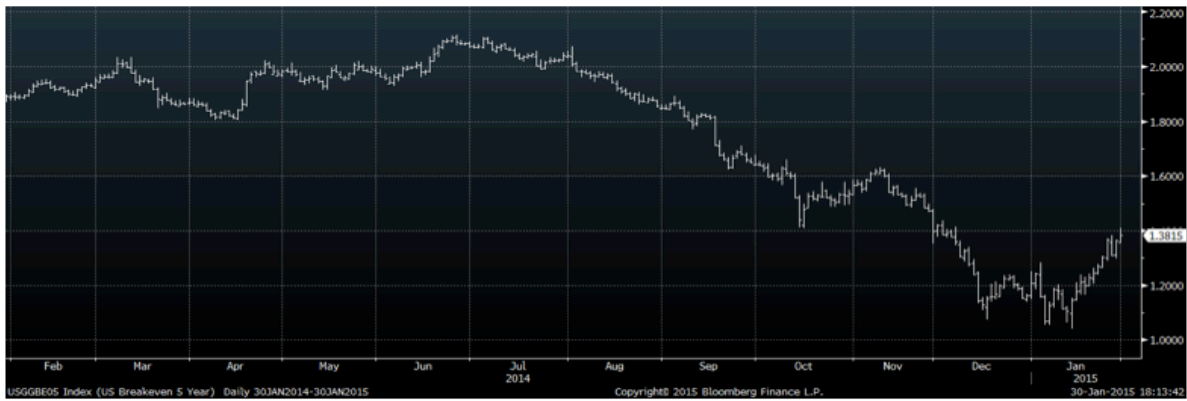


Source: Bloomberg

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

Exhibit 5: US 5-Year Breakeven Inflation Rate



Source: Bloomberg

Taking these three indicators together, last fall we wrote that the macro backdrop suggested the global economy was not about to break stall-speed growth, and pointed to the likelihood of easier monetary policy in emerging markets. The intensifying strength of the US dollar and continued flattening of the yield curve point to ongoing concerns about an increasingly deflationary backdrop around the globe. However, we acknowledge that if oil prices stage a rally, the strains in these indicators may also subside in the near-term.

...the key risk facing emerging markets is a drying up of US dollar-based liquidity

The combination of lower inflation and lower interest rates has generally been positive for emerging market equities, but their benefits are not uniformly felt across the asset class. For example, ineffective government policy in Brazil has impaired the growth outlook, and despite offering an attractive carry, the currency continues to weaken. Similarly, easier monetary policy in countries such as Turkey has come at the expense of currency depreciation. We continue to believe that the key risk facing emerging markets is a drying up of US dollar-based liquidity, which will exert pressure on markets that are heavily dependent on portfolio investment flows.

Within this more muted macro picture, we continue to observe rising stock level volatility and dispersion. We believe that this factor, along with our macro inputs and nimble hedging approach, will help us to navigate the environment that we foresee, while remaining invested in a structurally appealing segment of emerging markets.

Chad Cleaver

Lead Portfolio Manager, Driehaus Emerging Markets Small Cap Growth Strategy

DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND PERFORMANCE RECAP

MONTH-END PERFORMANCE AS OF 1/31/15

Fund/Index	Average Annual Total Return						
	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception ¹
DrieHaus Emerging Markets Small Cap Growth Fund ²	1.29%	1.29%	5.69%	12.95%	11.47%	n/a	18.21%
MSCI Emerging Markets Small Cap Index ³	1.45%	1.45%	5.65%	4.86%	4.31%	n/a	18.69%
MSCI Emerging Markets Index ⁴	0.61%	0.61%	5.61%	0.94%	3.41%	n/a	13.27%

CALENDAR QUARTER-END PERFORMANCE AS OF 12/31/14

Fund/Index	Average Annual Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception ¹
DrieHaus Emerging Markets Small Cap Growth Fund ²	-2.00%	5.76%	5.76%	15.17%	10.55%	n/a	18.24%
MSCI Emerging Markets Small Cap Index ³	-5.98%	1.34%	1.34%	7.98%	3.23%	n/a	18.67%
MSCI Emerging Markets Index ⁴	-4.44%	-1.82%	-1.82%	4.41%	2.11%	n/a	13.34%

Annual Fund Operating Expenses ⁵	
Management Fee	1.50%
Other Expenses	0.35%
Total Annual Fund Operating Expenses	1.85%

The performance data shown above 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.

¹Inception Date: 12/1/2008. "Since Inception" is calculated to include performance from the Fund's predecessor limited partnership. ²The average annual total returns of the DrieHaus Emerging Markets Small Cap Growth Fund include the performance of the Fund's predecessor limited partnership, which is calculated from December 1, 2008 before the Fund commenced operations and succeeded to the assets of its predecessor on August 22, 2011. The predecessor limited partnership was not registered under the Investment Company Act of 1940, as amended ("1940 Act") and thus was not subject to certain investment and operational restrictions that are imposed by the 1940 Act. If the predecessor had been registered under the 1940 Act, its performance may have been adversely affected. The Fund's predecessor performance has been restated to reflect estimated expenses of the Fund. After-tax performance returns are not included for the predecessor limited partnership. The predecessor was not a regulated investment company and therefore did not distribute current or accumulated earnings. ³The Morgan Stanley Capital International Emerging Markets Small Cap Index (MSCI Emerging Markets Small Cap Index) is a market capitalization-weighted index designed to measure equity market performance of small cap stocks in 22 global emerging markets. ⁴The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in 25 global emerging markets. ⁵Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2014. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented.

The Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the Fund has benefited from unusually strong market conditions. 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 the Fund may not experience similar performance results as its assets grow. **Investments in overseas markets can pose more risks than U.S. investments, and the Fund's share prices are expected to be more volatile than that of a U.S.-only fund.** In addition, the Fund's returns will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which the Fund invests. These risks are generally greater when investing in emerging markets. 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.

Sources: Morgan Stanley Capital International Inc., eVestment Alliance, LLC, SS&C Inc.

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DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND

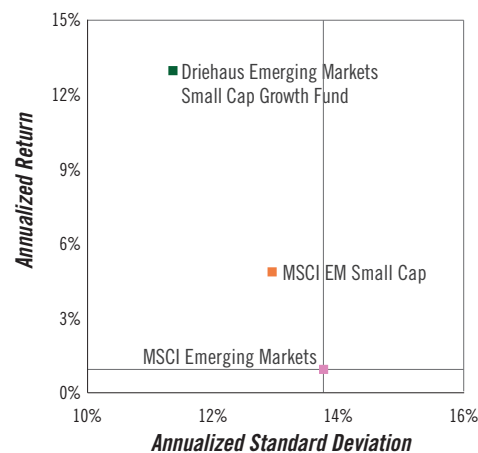
PORTFOLIO CHARACTERISTICS

PORTFOLIO SNAPSHOT		
		ex-cash
AUM	535,041,907	
Cash/AUM	5.10%	
Long Exposure	\$537,603,511	\$510,304,402
Short Exposure	(\$201,584,309)	(\$201,584,309)
Net Exposure	\$336,019,203	\$308,720,094
Net Exposure/AUM	62.80%	57.70%
Gross Exposure	\$739,187,820	\$711,888,711
Gross Exposure/AUM	1.38x	1.33x

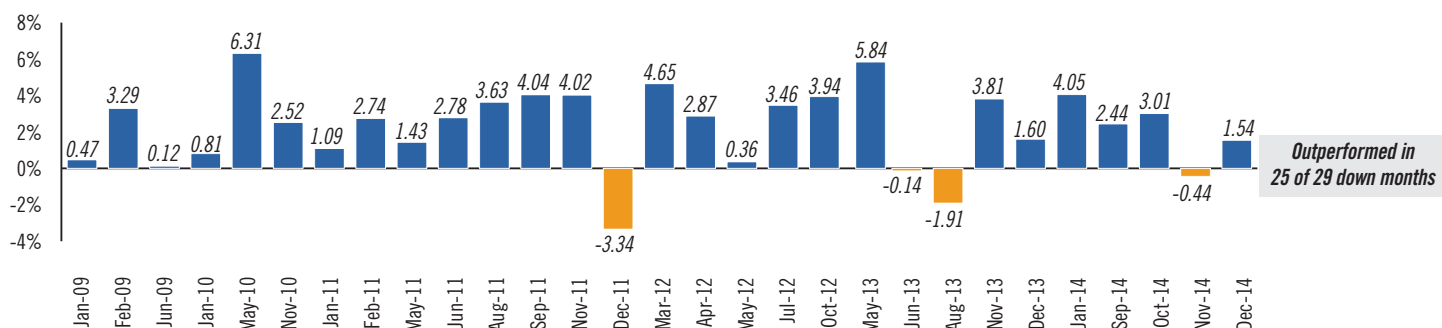
PORTFOLIO CHARACTERISTICS		
	Fund	Benchmark
Number of Holdings	134	1,797
Active Share (3-year avg.) ¹	96.02	n/a
Est. 3-5 Year EPS Growth	26.4%	13.8%
Weighted Avg. Market Cap (\$M)	\$2,307	\$1,043
Median Market Cap (\$M)	\$1,622	\$569
Mkt. Cap Breakout	< \$5 billion	92.6%
	> \$5 billion	7.4%

RISK & RETURN CHARACTERISTICS (Trailing 3-years)

	Fund	vs. MSCI EM Small Cap	Fund	vs. MSCI Emerging Markets
Annualized Return	12.95	4.86	12.95	0.94
Standard Deviation	11.36	12.94	11.36	13.76
Upside Capture	75.54	100.00	79.25	100.00
Downside Capture	25.02	100.00	21.68	100.00
Beta	0.70	1.00	0.57	1.00
Alpha	9.37	n/a	12.48	n/a
Sharpe Ratio	1.14	0.37	1.14	0.06
R-Square	0.63	1.00	0.47	1.00
Tracking Error	7.93	0.00	10.20	0.00
Information Ratio	1.02	n/a	1.18	n/a
# Negative Monthly Returns	9	15	9	16
# Positive Monthly Returns	27	21	27	20



FUND'S EXCESS RETURNS² (%pts) vs. MSCI EM Small Cap Index — Months with Negative Index Returns (Since Inception on 12/1/08)



Source: FactSet Research Systems LLC and Driehaus Capital Management. Data calculated with monthly returns.

Data as of 1/31/15.

¹Data is calculated monthly.

²This chart depicts Driehaus Emerging Markets Small Cap Growth Fund's (DRESX) outperformance (or underperformance) versus the MSCI Emerging Markets Small Cap Index in all instances where the MSCI Emerging Markets Small Cap Index had a negative monthly return since DRESX's inception on 12/1/2008. Net of fee performance is used. MSCI Emerging Markets Small Cap Index. Data as of January 31, 2015. Performance for the Driehaus Emerging Markets Small Cap Growth Fund (DRESX) is used. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 560-6111 or visiting our website at www.driehaus.com. Fund returns shown include the reinvestment of all dividends and capital gains. Contractual fee waivers are currently in effect. Without such fee waivers, performance numbers would be reduced. The total annual fund operating expense for DRESX is 1.85% as disclosed in the 4/30/14 prospectus.

Please see notes at end of presentation for more information on indices used. **A definition of key terms can be found on page 8.**

COUNTRY EXPOSURES¹

	Equity Weights	Long Hedges ³	Short Hedges ³	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Brazil	6.35%		-1.35%	5.00%	3.80%	1.20%
Chile	--			--	1.17%	-1.17%
China	16.74%	0.68%	-1.72%	15.71%	20.03%	-4.32%
Czech Republic	--			--	0.04%	-0.04%
Egypt	0.64%			0.64%	1.04%	-0.39%
Greece	--			--	0.54%	-0.54%
Hungary	--			--	0.10%	-0.10%
India	20.77%		-4.53%	16.24%	9.85%	6.39%
Indonesia	5.52%			5.52%	3.53%	1.99%
Kenya	0.51%			0.51%	--	0.51%
Malaysia	1.54%			1.54%	3.95%	-2.42%
Mexico	1.39%			1.39%	2.52%	-1.13%
Nigeria	0.45%			0.45%	--	0.45%
Pakistan	1.50%			1.50%	--	1.50%
Panama	--			--	0.09%	-0.09%
Peru	--			--	0.08%	-0.08%
Philippines	4.02%			4.02%	1.72%	2.30%
Poland	0.85%			0.85%	1.21%	-0.37%
Qatar	--			--	0.51%	-0.51%
Russia	1.72%			1.72%	0.44%	1.29%
Saudi Arabia	4.75%			4.75%	--	4.75%
South Africa	1.79%			1.79%	7.56%	-5.77%
South Korea	8.27%			8.27%	16.42%	-8.16%
Sri Lanka	0.49%			0.49%	--	0.49%
Taiwan	7.39%			7.39%	18.24%	-10.85%
Thailand	1.80%			1.80%	4.17%	-2.37%
Turkey	2.59%			2.59%	1.71%	0.88%
United Arab Emirates	--			--	0.73%	-0.73%
Vietnam	0.56%			0.56%	--	0.56%
Other Countries ²	3.72%			3.72%	0.56%	3.16%
EM Index Equity Hedges		1.34%	-9.75%	-8.40%		-8.40%
U.S. Index Equity Hedges			-20.33%	-20.33%		-20.33%
Other - Sector/Currency Hedges				--		--
Total Exposure (ex-cash)	93.35%	2.03%	-37.68%	57.70%	100.00%	-42.30%

SECTOR EXPOSURES¹

	Equity Weights	Long Hedges ³	Short Hedges ³	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Consumer Discretionary	14.03%			14.03%	15.57%	-1.54%
Consumer Staples	5.66%			5.66%	7.39%	-1.73%
Energy	3.68%			3.68%	1.88%	1.80%
Financials	25.20%			25.20%	20.65%	4.56%
Health Care	6.01%			6.01%	6.13%	-0.12%
Industrials	19.49%			19.49%	15.74%	3.75%
Information Technology	10.65%			10.65%	16.13%	-5.48%
Materials	5.46%			5.46%	12.28%	-6.82%
Telecom. Services	0.51%			0.51%	0.79%	-0.28%
Utilities	2.64%			2.64%	3.44%	-0.80%
Other - Market/Currency Hedges	--	2.03%	-37.68%	-35.65%	--	-35.65%
Total Exposure (ex-cash)	93.35%	2.03%	-37.68%	57.70%	100.00%	-42.30%

PORTFOLIO WEIGHTS (Net Exposure)

Frontier Market: 8.26%

Emerging Market: 45.72%

Other Countries: 3.72%

¹Data is on a trade date basis and has not been reconciled. Exposures reflect hedged positions. ²Other represents companies with significant emerging markets related exposures that are not domiciled within an emerging market. ³Delta-adjusted and underlying exposures include ETFs that may be domiciled in the U.S. but provide specific sector, country or market related exposure.

TOP 5 HOLDINGS* (as of 12/31/14)

Company	Country	Description	% of Fund
Sunac China Holdings Ltd.	China	Property management services	2.3
Zhuzhou CSR Times Electric Co., Ltd. Class H	China	Manufacture of train-borne electrical systems and electrical components	2.0
Banco Estado do Rio Grande do Sul SA Pfd B	Brazil	Brazil-based commercial bank that provides personal and corporate banking services	2.0
CT Environmental Group Ltd.	Hong Kong	A provider of customized wastewater treatment and industrial water supply services	1.9
Angang Steel Co., Ltd. Class H	China	Steel producers	1.6

*Holdings subject to change.

Notes

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TERMS: **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. **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. **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. **Sharpe ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Downside/Upward capture** is a measure of performance in up markets (upside) and down markets (downside) relative to the Index. **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. **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. **Information ratio** is a measure of the value added per unit of active risk by a manager over the index. A positive ratio indicates "efficient" use of risk by the manager. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **At-the-money** is a term used to describe a situation where an option's strike price is identical to the price of the underlying security. **Out-of-the-money** is a term used to describe an option that has no intrinsic value, such as when a call option has a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset. **Moneyness** is a description of a derivative relating its strike price to the price of its underlying asset. It describes the intrinsic value of an option in its current state.