DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND

August 2014 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: $418 million

Inception date: December 1, 2008*

Ticker: DRESX

Portfolio managers:
Chad Cleaver, CFA
Lead Portfolio Manager
11 years experience

Howard Schwab
Co-Portfolio Manager
13 years experience

Trent DeBruin, CFA
Assistant Portfolio Manager
7 years experience

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

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Goodluck and Patience

I recently spent a week in Nigeria and South Africa, meeting with corporates and getting a sense of the economic activity on the ground. Nigeria's president, Goodluck Jonathan, inherited a regime four years ago that faced numerous challenges. Judging from local sentiment, his grade at this point would probably be a solid C. Sure, Nigeria has grown at a rapid clip in recent years and done an admirable job dealing with the post-global financial crisis fallout in the banking sector, yet the Jonathan administration has been checkered with scandals surrounding theft of oil money, a controversial sacking of the central bank governor who spoke out about the theft, extreme violence in the northeast of the country, and now an outbreak of the deadly Ebola virus.

Four years ago, Nigerians were optimistic about the future, needing just "Goodluck and Patience" (note: Mr. Jonathan's wife's name is Patience), but in meeting with corporates, one can feel the tension building ahead of next February's elections. This is not to overlook the undeniable potential of Nigeria as an economy and an investment destination. A country of 170 million people, Nigeria holds tremendous promise as Africa's middle class expands.

One recent example of how Nigeria's challenges can be overcome is illustrated by the banking sector. The buildup of bad debts within an overly leveraged and extremely fragmented banking sector leading up to the global financial crisis preceded the boom-bust pattern exhibited by many banks across the world. The formation of an asset management company to acquire bad debt, known as AMCON, along with consolidation in the sector led to the emergence of a set of relatively strong tier one banks. Many of these banks boast capital adequacy ratios in the range of 20% and return on assets of 3-5%, all without having barely scratched the surface of the lucrative retail market. Investors can still buy a strong banking franchise at a multiple barely above book value, while collecting a 5-7% dividend yield and participating in the growth of this dynamic market.

Meanwhile, the power sector must be addressed soon for Nigeria to realize its potential growth rate. Sporadic blackouts plague the country, hampering industrial productivity. Indeed, for a country three times the size of South Africa, Nigeria generates only 17% the power (and South Africa is not exactly a success story when it comes to power generation). We expect to see significant investment in the sector in the coming years, as the government plans to build 20 gigawatts worth of capacity against a base of only 6 gigawatts, currently.

Over the course of my trip, I couldn't help but to think about some recent dynamics in emerging markets and how the next 5 to 10 years could see some meaningful changes in the composition of the index, with longer-term implications for investor positioning and portfolio flows.

Last May, MSCI announced that United Arab Emirates (UAE) and Qatar would be upgraded from frontier to emerging markets status. To some investors, this seemed long overdue. These countries are extremely wealthy on a per capita basis, are more advanced than other frontier markets, and (with some notable exceptions) possess corporates with a sound operational track record and healthy dividend payouts. Surveying the landscape of frontier market countries, this begs the question, who's next? More on that in a minute.

Another country whose MSCI EM classification has been continuously debated in recent years is South Korea. With high levels of credit penetration and mobile phone usage, advanced technological development, and a mature industrial sector, Korea arguably should be elevated from its emerging market status strictly from a macro perspective. However, a complex corporate structure remains in place, corporate governance and transparency are lacking in many cases, and the corporates have among the worst record in EM of paying dividends. Seemingly there has been no catalyst for this to change, and year after year, Korea remains relegated to EM status.

However, there may be a trigger on the horizon that would ultimately lead to Korea moving into the developed market index. Finance Minister Choi has promoted a new tax policy that incentivizes dividend payments. Corporates will see their tax bill rise on any cash flow that is not spent as a capital expenditure, paid as dividends, or paid as wages. Meanwhile, individuals will see a reduced tax bill on dividend income. Thus, for corporate managements with significant ownership stakes, the incentives are there to meaningfully increase dividend payouts. Whether this alone would be enough for MSCI to upgrade Korea remains to be seen, but it is certainly a step in the right direction.

So this brings us back to the question of which country will next be upgraded to EM status? There is one strong near-term candidate, and a couple of countries that could be included several years from now depending on the development of their economies and capital markets.

Saudi Arabia is a market we have been very bullish on over the last two years. With ample cash reserves to the tune of $600 billion, and an impetus to invest in the economy in an attempt to combat heavy youth unemployment and forestall any signs of social unrest, Saudi has spent heavily to create jobs and improve the caliber of the workforce. Many of the policies undertaken have created a favorable backdrop for the consumer.

The market structure and the closure of the market to foreigners (we invest through participatory notes with a global counterparty) have been the main factors that have left Saudi out of inclusion in any index. This appears to be changing, as the Capital Markets Authority has announced a qualified institutional investor program that will ultimately lead to full access for foreigners. It is unlikely that Saudi would go into the frontier index, as it would represent north of 60% of the index by market cap. Saudi could theoretically be an EM constituent by 2017, with a weighting of around 4%.

Down the road, it is conceivable that countries such as Vietnam and Nigeria could be longer-term additions to the EM index. With large populations, rapid economic growth, and growing capital markets, these two countries may prove viable candidates. However, issues such as market liquidity and foreign ownership limits must be addressed. We wrote about Vietnam in our March letter, following a recent visit. We remain optimistic on both of these markets, and have allocations to them within the fund. To be sure, some good luck and patience will be required, but in our view, the longer-term trajectory for these markets looks promising.

Performance Review and Portfolio Positioning

The Driehaus Emerging Markets Small Cap Growth Fund returned 2.08% in August compared to the MSCI Emerging Markets Small Cap Index gain of 2.44% and the MSCI Emerging Markets Index return of 2.29%.[1]

The month got off to a volatile start with global markets staging a brief, yet sharp pullback as investors wrangled with continued reductions in the Federal Reserve's quantitative easing, deteriorating data in Europe, and ongoing geopolitical turbulence. Hedges in EM and Taiwan helped the fund mitigate this volatility, as did the long U.S. dollar hedge we discussed last month.

Stock selection was generally strong during the month, with many companies in the portfolio experiencing a strong earnings season. Country allocation was mixed, with Saudi contributing positively behind the aforementioned optimism about the market opening to foreign participants, while Korea, a heavy underweight, rallied meaningfully during the month.

Outlook

EM remains driven by two prevailing factors: policy reform and low interest rates. The former has benefited many of the larger countries within EM, notably India, China, and Brazil, while the compression of both the level and volatility of interest rates has helped countries facing high deficits, as well as contributed to the declining cost of capital.

Consequently, since March, value stocks have performed well in EM, bolstered by both of these factors. While many of the large state-affiliated companies are now without growth and have not experienced positive earnings revisions, the compression of country risk premium and cost of capital has led these companies' earnings streams to be discounted at a lower rate, leading to sharp rises in equity values.

While optimistic on reform and mindful of changing cost of capital, we will not stray from our investment discipline of identifying companies experiencing positive inflection points and earnings accelerations. We believe that growth as a style can still perform well in this environment, as companies that can deliver sustainable earnings growth within an otherwise scarce growth backdrop will inevitably be ascribed a higher multiple by the market.

We also must be cognizant of the broader economic environment as we frame our approach. More specifically, in an EM landscape characterized by supply-side reforms, the factors driving earnings growth and outperformance may not be as inherently focused on the companies exhibiting the fastest top line growth. Rather, we believe that companies exhibiting a combination of top line growth and margin improvements are more likely to be rewarded by the market in this environment.

Why is this the case? In short, "this isn't your father's EM." In other words, the EM of the last 20 years has been all about growth at any cost. Now, with a deceleration of both the U.S. consumer binge and fixed asset investment in China, growth rates have subsided. EM has had to reinvent itself in a sense, at the macro and corporate level. Growth at any cost will no longer work. That policymakers and corporate managements have seemingly come to terms with this has arguably been the overarching factor reigniting enthusiasm about EM equities in 2014.

Chad Cleaver

Lead Portfolio Manager, Driehaus Emerging Markets Small Cap Growth Strategy

[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. 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

DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND PERFORMANCE RECAP

MONTH-END PERFORMANCE AS OF 8/31/14

				Average Annual Total Return			
Fund/Index	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception[1]
Driehaus Emerging Markets Small Cap Growth Fund[2]	**2.08%**	**10.01%**	**21.80%**	**10.95%**	**13.95%**	**n/a**	**20.21%**
MSCI Emerging Markets Small Cap Index[3]	2.44%	12.66%	21.50%	5.35%	9.62%	n/a	22.10%
MSCI Emerging Markets Index[4]	2.29%	10.95%	20.40%	4.70%	8.24%	n/a	16.63%

CALENDAR QUARTER-END PERFORMANCE AS OF 6/30/14

				Average Annual Total Return			
Fund/Index	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception[1]
Driehaus Emerging Markets Small Cap Growth Fund[2]	**1.50%**	**8.33%**	**12.75%**	**8.15%**	**15.64%**	**n/a**	**20.55%**
MSCI Emerging Markets Small Cap Index[3]	5.32%	9.10%	14.53%	0.89%	11.79%	n/a	22.12%
MSCI Emerging Markets Index[4]	6.71%	6.32%	14.68%	-0.06%	9.58%	n/a	16.27%

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.

[1]Inception Date: 12/1/2008. "Since Inception" is calculated to include performance from the Fund's predecessor limited partnership. [2]The 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. [3]The 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. [4]The 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. [5]Represents 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 contains 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.

Driehaus Securities LLC, Distributor

DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND
PORTFOLIO CHARACTERISTICS

PORTFOLIO SNAPSHOT

		ex-cash
AUM	$417,569,874	
Cash/AUM	10.22%	
Long Exposure	$438,037,065	$395,359,107
Short Exposure	($133,857,216)	($133,857,216)
Net Exposure	$304,179,849	$261,501,890
Net Exposure/AUM	72.85%	62.62%
Gross Exposure	$571,894,282	$529,216,323
Gross Exposure/AUM	1.37x	1.27x

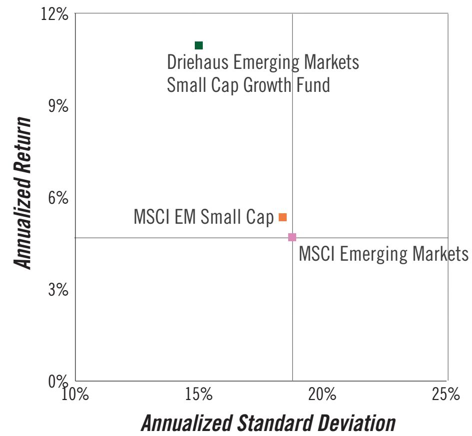
PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	122	1,804
Active Share (3-year avg.)[1]	96.03	n/a
Est. 3-5 Year EPS Growth	31.3%	17.6%
Weighted Avg. Market Cap ($M)	$2,250	$1,099
Median Market Cap ($M)	$1,519	$587

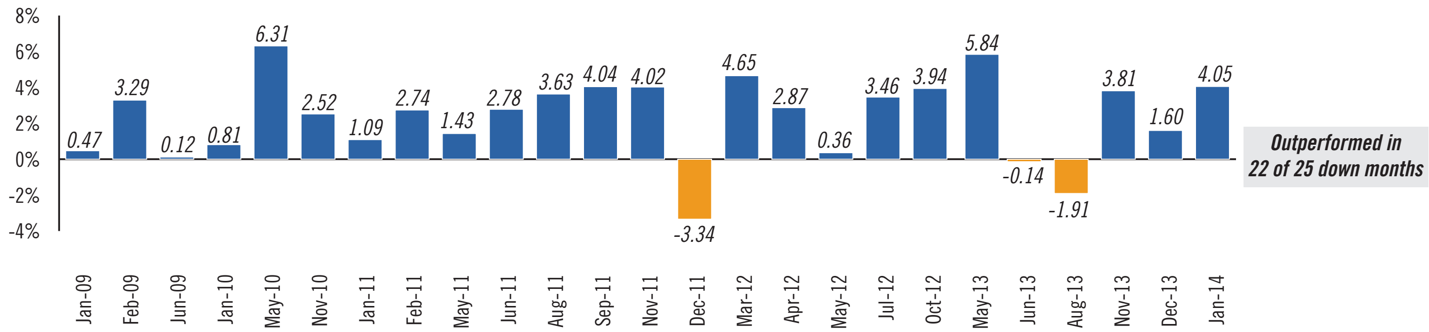
Mkt. Cap Breakout	Fund	Benchmark
< $5 billion	95.8%	99.7%
> $5 billion	4.2%	0.3%

RISK & RETURN CHARACTERISTICS (Trailing 3-years)

	Fund	vs. MSCI EM Small Cap	Fund	vs. MSCI Emerging Markets
Annualized Return	10.95	5.35	10.95	4.70
Standard Deviation	14.99	18.38	14.99	18.77
Upside Capture	72.31	100.00	69.11	100.00
Downside Capture	51.48	100.00	47.16	100.00
Beta	0.71	1.00	0.64	1.00
Alpha	6.84	n/a	7.76	n/a
Sharpe Ratio	0.73	0.29	0.73	0.25
R-Square	0.76	1.00	0.64	1.00
Tracking Error	9.01	0.00	11.20	0.00
Information Ratio	0.62	n/a	0.56	n/a
# Negative Monthly Returns	9	14	9	16
# Positive Monthly Returns	27	22	27	20



FUND'S EXCESS RETURNS[2] (%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 8/31/14.

[1]Data is calculated monthly.

[2]This 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 August 31, 2014. 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 7.**

COUNTRY EXPOSURES[1]

	Equity Weights	Long Hedges[3]	Short Hedges[3]	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Brazil	5.95%			5.95%	5.78%	0.17%
Chile	--			--	1.20%	-1.20%
China/Hong Kong	16.52%		-7.55%	8.97%	18.92%	-9.95%
Colombia	--			--	0.03%	-0.03%
Czech Republic	--			--	0.04%	-0.04%
Egypt	2.74%			2.74%	0.95%	1.79%
Greece	--			--	0.76%	-0.76%
Hungary	--			--	0.12%	-0.12%
India	10.77%		-2.65%	8.12%	6.55%	1.56%
Indonesia	5.69%			5.69%	3.43%	2.25%
Kenya	0.39%			0.39%	--	0.39%
Malaysia	3.71%			3.71%	4.68%	-0.97%
Mexico	2.83%			2.83%	2.60%	0.23%
Nigeria	1.16%			1.16%	--	1.16%
Pakistan	1.72%			1.72%	--	1.72%
Panama	--			--	0.11%	-0.11%
Peru	--			--	0.09%	-0.09%
Philippines	1.46%			1.46%	1.14%	0.31%
Poland	--			--	1.11%	-1.11%
Qatar	1.30%			1.30%	0.71%	0.59%
Russia	--			--	0.82%	-0.82%
Saudi Arabia	9.81%			9.81%	--	9.81%
South Africa	1.66%			1.66%	7.11%	-5.45%
South Korea	3.28%			3.28%	16.77%	-13.49%
Sri Lanka	1.05%			1.05%	--	1.05%
Taiwan	5.49%		-3.08%	2.41%	19.51%	-17.10%
Thailand	2.53%			2.53%	4.26%	-1.72%
Turkey	0.97%			0.97%	1.71%	-0.74%
United Arab Emirates	1.08%			1.08%	0.65%	0.43%
Vietnam	1.83%			1.83%	--	1.83%
Other Countries[2]	6.95%			6.95%	0.93%	6.02%
EM Index Equity Hedges		--	-10.61%	-10.61%		-10.61%
U.S. Index Equity Hedges			-8.17%	-8.17%		-8.17%
Other - Sector/Currency Hedges		5.79%		5.79%		5.79%
Total Exposure (ex-cash)	**88.89%**	**5.79%**	**-32.06%**	**62.62%**	**100.00%**	**-37.38%**

SECTOR EXPOSURES[1]

	Equity Weights	Long Hedges[3]	Short Hedges[3]	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Consumer Discretionary	15.59%			15.59%	15.66%	-0.07%
Consumer Staples	4.93%			4.93%	7.08%	-2.15%
Energy	8.37%			8.37%	2.50%	5.87%
Financials	22.25%			22.25%	20.29%	1.96%
Health Care	5.12%			5.12%	5.75%	-0.63%
Industrials	11.20%			11.20%	15.47%	-4.27%
Information Technology	9.38%			9.38%	17.09%	-7.70%
Materials	8.40%			8.40%	11.79%	-3.39%
Telecom. Services	0.39%			0.39%	0.97%	-0.58%
Utilities	3.25%			3.25%	3.40%	-0.15%
Other - Market/Currency Hedges	--	5.79%	-32.06%	-26.26%	--	-26.26%
Total Exposure (ex-cash)	**88.89%**	**5.79%**	**-32.06%**	**62.62%**	**100.00%**	**-37.38%**

PORTFOLIO WEIGHTS (Net Exposure)

Frontier Market: 11.85% Emerging Market: 81.20% Other Countries: 6.95%

[1]Data is on a trade date basis and has not been reconciled. Exposures reflect hedged positions. [2]Other represents companies with significant emerging markets related exposures that are not domiciled within an emerging market. [3]Delta-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 7/31/14)			
Company	Country	Description	% of Fund
KNM Group Bhd.	Malaysia	Designs, manufactures, and maintains process equipment for the oil, gas and petrochemical industries	2.5
Angang Steel Co., Ltd. Class H	China	Steel producers	2.2
SKS Microfinance Limited	India	Engaged primarily in providing microfinance services to women in the rural areas of India	1.4
TAL Education Group Unsponsored ADR Class A	China	Engaged in provision of after-school tutoring programs for school students in the People's Republic of China	1.4
DNO ASA Class A	Norway	A Norway-based oil and gas exploration and production company	1.4

*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. 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. **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/Upside 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.