



DRIEHAUS EMERGING MARKETS SMALL CAP GROWTH FUND

September 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: \$420 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.



95 Till Infinity

"Investors say, 'we will stay with the trade because central banks are willing to provide easy money and I can see that easy money continuing into the foreseeable future'. It's the same old story. They add, 'I will get out before everyone else gets out'. They put the trades on even though they know what will happen as everyone attempts to exit positions at the same time. There will be major market volatility if that occurs. True, it may not happen if we can find a way to unwind everything steadily. But it is a big hope and a prayer."

— Raghuram Rajan, Governor of the Reserve Bank of India,

Central Banking Journal, August 6, 2014

In the mid-1990s, Mexico found itself in a great deal of trouble. The country had spent recklessly while amassing a current account deficit equal to 7% of its GDP. All the while, Mexico attempted to maintain a fixed exchange rate regime as it burned through foreign exchange reserves. Ultimately, the peg could not be sustained and Mexico devalued the peso toward the end of 1994. In an attempt to prevent further damage and a recession, which would have been costly politically after the signing of the North American Free Trade Agreement, the U.S. orchestrated a bailout.

The 1995 Mexican bailout package might seem trivial today at \$50 billion but it was a watershed moment in economic policy. It laid the groundwork for today's unwritten policy to mop up asset bubbles through excess monetary stimulus, which only sows the seeds for subsequent asset bubbles.

In March 1995 testimony before the Senate Banking Committee, then-Federal Reserve Chairman Alan Greenspan argued that a Mexican default—the likely outcome if the \$50 billion bailout was not provided—would prove more damaging than the moral hazard created by such a bailout. With the benefit of hindsight, we couldn't disagree more.

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)**

A mere two years later, the Asian currency crisis intensified as Thailand devalued the baht and numerous fixed-exchange regimes in the region proved unsustainable amid the contagion that followed. Then in 1998, Russia's default led to market turmoil, with Long-Term Capital Management nearly failing, only to be bailed out in another Fed-orchestrated eleventh-hour rescue. Subsequently, the Greenspan Fed cut the funds rate to 4.75% in the fall of 1998, and as they say, the rest is history. Happy days were upon us again, dot-coms roared, the Dow broke 10,000, and financial markets "partied like it was 1999."

However, all good parties must come to an end, and this one ended with the hangover of the century. Undeterred, Greenspan rode to the rescue again, with two 50 basis point rate cuts in January 2001, kicking off a rate cutting cycle that culminated with a then-unprecedented 1% funds rate and encouraged Americans to pour money into the housing market. Once again, the boom-bust cycle left financial markets on their knees as the fallout from housing led to the 2008 global financial crisis.

Where do we stand today? Again, central bankers have employed the same post-bubble strategy of intervening with massive amounts of stimulus. Successive rounds of quantitative easing have led to a \$4 trillion expansion of the Fed's balance sheet. Nearly 20 years removed from the peso crisis, it is truly staggering that a \$50 billion bailout package has morphed into trillions of dollars of unconventional easing. Indeed, the inability of policymakers to tolerate a recession, to allow markets to clear, to purge the rottenness out of the system, and to allow the forces of creative destruction to take hold, has left us in uncharted territory.

We share Governor Rajan's sentiments, hoping that the central banks around the world can unwind this enormous stimulus without any collateral damage. Recent history, however, suggests that turbulence awaits. This type of scenario is precisely why we use an options-based hedging strategy to manage risk and mitigate the inevitable return of volatility to financial markets.

Performance and Portfolio Positioning

The Driehaus Emerging Markets Small Cap Growth Fund returned -1.89% in September compared to the MSCI Emerging Markets Small Cap Index return of -4.33% and the MSCI Emerging Markets Index return of -7.39%.¹

The pickup in volatility observed in financial markets over the course of the month proved beneficial for the Fund on a relative basis, as our hedge position contributed positively to performance.

Offsetting some of the positive stylistic factors and the pickup in volatility was a pullback in two markets where the fund has meaningful overweight positions: India and Saudi Arabia. Nonetheless, we continue to see a strong opportunity set in these two countries.

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.**

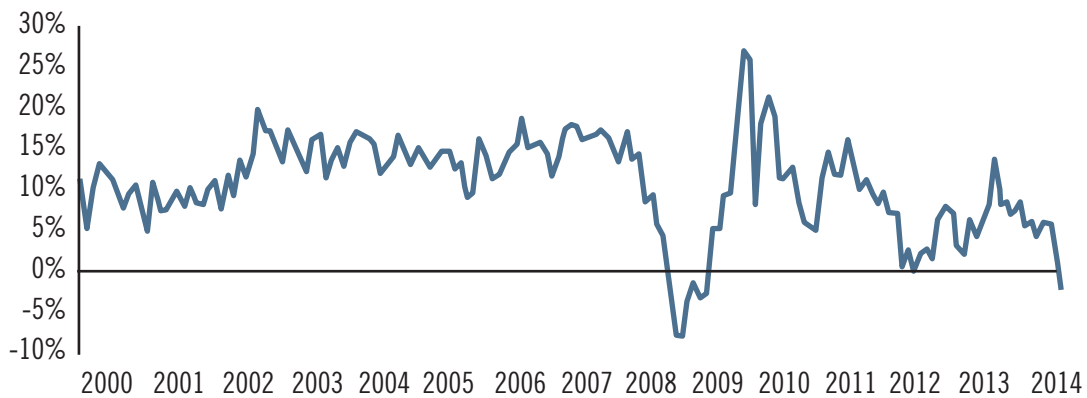
Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

Outlook

The material appreciation of the U.S. dollar relative to nearly every currency on the globe has arguably been the driving factor behind the turbulence faced recently by financial markets. While the currency moves may feel a bit overdone in the near term, we must remain cognizant that currencies tend to overshoot. Accompanying the dollar strength has been a broad-based selloff in commodities. Taken together, we believe countries that maintain a fairly stable currency within an environment of falling inflation can prove relative winners in this environment. This is one of our reasons for continued optimism in India.

Elsewhere, we believe investors remain complacent about the level of risk accompanying a slowdown in China's growth. Exhibit 1 shows China's monthly power generation growth on a year-over-year basis. The most recent data point shows the worst growth, and the first year-over-year decline, since the global financial crisis. While official data series can be manipulated in many ways, the power generation data are regarded as one of the most accurate pictures of the underlying growth of the economy. Moreover, when accompanied by the sharp declines we have seen in commodities, such as steel, iron ore, and crude oil, we start to see a bleak picture for cyclical growth in areas influenced heavily by China.

Exhibit 1: China's monthly power generation growth (year over year)



Source: CEIC Data, National Bureau of Statistics

Exhibit 2: iShares China ETF (ticker: FXI) 3-month at-the-money implied volatility



Source: Bloomberg

Exhibit 3: iShares China ETF (ticker: FXI) 3-month skew (90%-110% moneyness)



Source: Bloomberg

However, against this backdrop, investors have shown little signs of stress, particularly in the options market. Exhibit 2 shows the level of volatility and the skew for the China H-share ETF (ticker: FXI). Volatility levels have been compressed globally, and China remains near its five-year lows. Moreover, investors are not paying up for protection, as shown in Exhibit 3 by the skew (the difference between the implied volatility of a three-month, 10% out-of-the-money put option and that of an equivalently positioned call option). Simply put, there is a lack of fear by market participants despite macro conditions that, in our view, warrant caution.

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 9/30/14

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	-1.89%	7.93%	14.82%	15.00%	12.74%	n/a	19.51%
MSCI Emerging Markets Small Cap Index ³	-4.33%	7.79%	9.16%	9.99%	6.97%	n/a	20.82%
MSCI Emerging Markets Index ⁴	-7.39%	2.75%	4.66%	7.56%	4.75%	n/a	14.84%

CALENDAR QUARTER-END PERFORMANCE AS OF 9/30/14

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	-0.37%	7.93%	14.82%	15.00%	12.74%	n/a	19.51%
MSCI Emerging Markets Small Cap Index ³	-1.21%	7.79%	9.16%	9.99%	6.97%	n/a	20.82%
MSCI Emerging Markets Index ⁴	-3.36%	2.75%	4.66%	7.56%	4.75%	n/a	14.84%

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

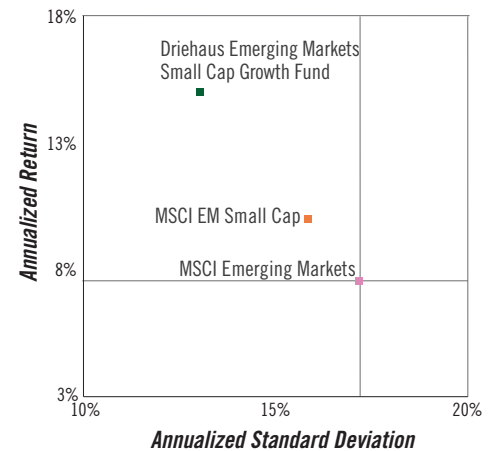
PORTFOLIO CHARACTERISTICS

PORTFOLIO SNAPSHOT		
		ex-cash
AUM	\$419,870,057	
Cash/AUM	11.63%	
Long Exposure	\$454,860,470	\$406,014,345
Short Exposure	(\$183,105,332)	(\$183,105,332)
Net Exposure	\$271,755,139	\$222,909,013
Net Exposure/AUM	64.72%	53.09%
Gross Exposure	\$637,965,802	\$589,119,676
Gross Exposure/AUM	1.52x	1.40x

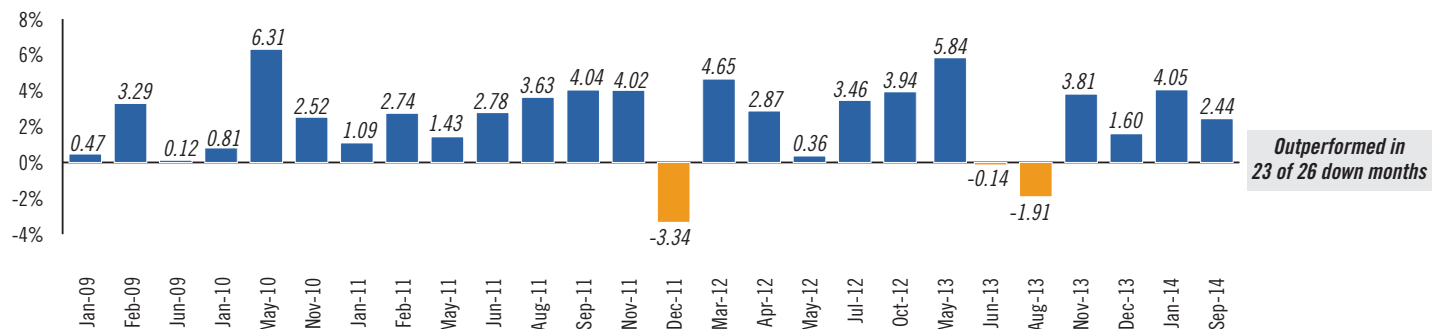
PORTFOLIO CHARACTERISTICS		
	Fund	Benchmark
Number of Holdings	118	1,795
Active Share (3-year avg.) ¹	95.98	n/a
Est. 3-5 Year EPS Growth	28.9%	19.2%
Weighted Avg. Market Cap (\$M)	\$2,251	\$1,055
Median Market Cap (\$M)	\$1,522	\$569
Mkt. Cap Breakout	< \$5 billion	95.4%
	> \$5 billion	4.6%

RISK & RETURN CHARACTERISTICS (Trailing 3-years)

	Fund	vs. MSCI EM Small Cap	Fund	vs. MSCI Emerging Markets
Annualized Return	15.00	9.99	15.00	7.56
Standard Deviation	13.03	15.85	13.03	17.18
Upside Capture	72.31	100.00	69.11	100.00
Downside Capture	39.55	100.00	32.45	100.00
Beta	0.68	1.00	0.56	1.00
Alpha	7.81	n/a	10.45	n/a
Sharpe Ratio	1.15	0.63	1.15	0.44
R-Square	0.69	1.00	0.55	1.00
Tracking Error	8.84	0.00	11.51	0.00
Information Ratio	0.57	n/a	0.65	n/a
# Negative Monthly Returns	9	14	9	16
# Positive Monthly Returns	27	22	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 9/30/14.

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 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 8.**

COUNTRY EXPOSURES¹

	Equity Weights	Long Hedges ³	Short Hedges ³	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Brazil	5.01%			5.01%	4.94%	0.06%
Chile	--			--	1.25%	-1.25%
China/HK	18.12%	2.67%	-6.80%	13.99%	19.41%	-5.43%
Colombia	--			--	0.03%	-0.03%
Czech Republic	--			--	0.04%	-0.04%
Egypt	1.53%			1.53%	1.03%	0.50%
Greece	--			--	0.70%	-0.70%
Hungary	--			--	0.12%	-0.12%
India	14.86%		-6.85%	8.01%	6.72%	1.28%
Indonesia	3.83%			3.83%	3.24%	0.59%
Kenya	0.52%			0.52%	--	0.52%
Malaysia	2.09%			2.09%	4.69%	-2.60%
Mexico	2.54%			2.54%	2.77%	-0.22%
Nigeria	0.66%			0.66%	--	0.66%
Pakistan	0.78%			0.78%	--	0.78%
Panama	--			--	0.10%	-0.10%
Peru	--			--	0.09%	-0.09%
Philippines	3.52%			3.52%	1.34%	2.19%
Poland	1.08%			1.08%	1.18%	-0.10%
Qatar	0.63%			0.63%	0.77%	-0.14%
Russia	--			--	0.67%	-0.67%
Saudi Arabia	7.89%			7.89%	--	7.89%
South Africa	2.88%			2.88%	6.91%	-4.03%
South Korea	3.90%			3.90%	17.01%	-13.10%
Sri Lanka	0.61%			0.61%	--	0.61%
Taiwan	5.66%			5.66%	19.69%	-14.02%
Thailand	2.08%			2.08%	4.51%	-2.43%
Turkey	1.43%			1.43%	1.61%	-0.18%
United Arab Emirates	0.50%			0.50%	0.67%	-0.17%
Vietnam	1.16%			1.16%	--	1.16%
Other Countries ²	6.09%			6.09%	0.52%	5.57%
EM Index Equity Hedges		3.80%	-10.34%	-6.54%		-6.54%
U.S. Index Equity Hedges		2.84%	-19.61%	-16.77%		-16.77%
Other - Sector/Currency Hedges		0.00%	0.00%	0.00%		--
Total Exposure (ex-cash)	87.38%	9.31%	-43.61%	53.09%	100.00%	-46.91%

SECTOR EXPOSURES¹

	Equity Weights	Long Hedges ³	Short Hedges ³	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Consumer Discretionary	14.13%			14.13%	15.69%	-1.56%
Consumer Staples	6.17%			6.17%	7.14%	-0.98%
Energy	5.18%			5.18%	2.39%	2.80%
Financials	23.75%			23.75%	19.77%	3.98%
Health Care	2.09%			2.09%	6.14%	-4.05%
Industrials	15.03%			15.03%	15.32%	-0.29%
Information Technology	7.17%			7.17%	17.56%	-10.39%
Materials	8.99%			8.99%	11.55%	-2.56%
Telecom. Services	0.52%			0.52%	1.01%	-0.49%
Utilities	4.35%			4.35%	3.44%	0.92%
Other - Market/Currency Hedges	--	9.31%	-43.61%	-34.29%	--	-34.29%
Total Exposure (ex-cash)	87.38%	9.31%	-43.61%	53.09%	100.00%	-46.91%

PORTFOLIO WEIGHTS (Net Exposure)

Frontier Market: 12.76%

Emerging Market: 57.55%

Other Countries: 6.09%

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 8/31/14)

Company	Country	Description	% of Fund
CT Environmental Group Ltd.	Hong Kong	A provider of customized wastewater treatment and industrial water supply services	2.5
China High Speed Transmission Equipment Group Co., Ltd.	China	Engaged in development, manufacture and distribution of mechanical transmission equipment	1.6
Hindustan Petroleum Corporation Limited	India	Integrated oil refining and marketing company	1.5
TMB Bank Public Co., Ltd. NVDR	Thailand	Provides personal and corporate banking services	1.5
TAL Education Group Un-sponsored ADR Class A	China	Engaged in provision of after-school tutoring programs in the People's Republic of China	1.5

*Holdings subject to change.

Notes

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.

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/Up-side 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 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.