

DRIEHAUS ACTIVE INCOME FUND

Fund Summary — September 2012



DRIEHAUS CAPITAL MANAGEMENT LLC

DRIEHAUS ACTIVE INCOME FUND

25 East Erie Street, Chicago, Illinois 60611 (877) 779-0079 www.driehaus.com

FUND OVERVIEW

The **Driehaus Active Income Fund** (the “Fund”) seeks to provide current income and capital appreciation by investing primarily in U.S. fixed income and floating rate securities, of both investment and non-investment grade credit quality, and by engaging in a variety of short-term trading strategies (involving both fixed income and equity securities). The Fund is actively managed by taking both long and short positions and the Fund may invest in derivatives as well as foreign securities.

FUND INFORMATION

The Fund invests primarily in U.S. fixed income and floating rate securities, of both investment and non-investment grade credit quality, as well as equities and derivative instruments. The Fund intends to pursue its fundamental opportunistic “bottom-up” trading approach using the following investment strategies:

Inception Date: November 8, 2005*

Assets Under Management as of 9/30/2012:
\$2.7 Billion

Portfolio Manager:
K.C. Nelson, 12 years experience

Assistant Portfolio Managers:
Mirsada Durakovic, 11 years experience
Elizabeth Cassidy, 11 years experience

Ticker: LCMAX

Minimum Investment: \$25,000

IRA Minimum Investment: \$2,000

Liquidity: Daily

Assets: Generally liquid bonds, derivatives, equities and cash

Distribution Schedule: Quarterly distribution of ordinary income dividends; Annual distribution of capital gains dividends

Capital Structure Arbitrage – attempt to exploit pricing inefficiencies between two securities of the same company. Example: buying a debt instrument that is believed to be undervalued while simultaneously shorting a subordinated debt instrument of the same issuer that is believed to be overvalued.

Convertible Arbitrage – attempt to profit from changes in a company's equity volatility or credit quality by purchasing a convertible bond and simultaneously shorting the same issuer's common stock.

Directional Trading – taking long or short positions in equity or corporate debt instruments in anticipation of profiting from movements in the prices of these assets.

Event Driven – attempt to profit from the consummation of a given event, e.g. a takeover, merger, reorganization or conclusion of material litigation, or based upon the perceptions of a potential pending corporate event.

Pairs Trading – attempt to exploit pricing inefficiencies between the securities of two similar companies by buying the security of one company and shorting the security of the other.

Interest Rate Hedging – attempt to reduce the performance impact of rising or falling interest rates.

Volatility Hedging – attempt to profit from extreme market volatility.

*The Driehaus Active Income Fund commenced operations on June 1, 2009 following the receipt of the assets and liabilities of the Lotsoff Capital Management Active Income Fund (the “Predecessor Fund”) through a reorganization into the Driehaus Active Income Fund.

The Driehaus Active Income Fund (the “Fund”), in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. 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. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile.

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 (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.

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PERFORMANCE RECAP

The market's upward ascent continued in September as the S&P 500 Index jumped 2.4% following the Federal Reserve's announcement of open-ended quantitative easing (QE). Credit markets benefited from the announcement as well, as spreads over U.S. Treasuries on investment grade and high yield bonds fell 17 basis points (to 169 basis points) and 28 basis points (to 574 basis points), respectively.

Our defensive posture continued to lead to muted returns as compared to the rally in some risk assets. Given the nature of the market rally, arbitrage positions contributed very little to returns, and hedges detracted from profits during the month. Virtually all gains within the portfolio came from long credit exposures.

The Driehaus Active Income Fund rose 60 basis points during September, with the directional long strategy generating 68 basis points of gains. The volatility hedges, in contrast, lost 23 basis points during the month as markets lurched higher and volatility dropped across almost every asset class. No other trading strategy contributed or detracted more than 10 basis points to returns in September. On a single security level, an exposure to an automobile manufacturer benefited the fund as better-than-expected sales data and a buoyant market lifted a number of our exposures across its capital structure, totaling 18 basis points of gains to the fund. On the negative side, a hedge we made against heightened corporate credit risk in Europe detracted 23 basis points from returns during the month. No other position affected returns by more than 10 basis points.¹

GOLDEN TATE, THE CREDIT ETF, AND TAXES

I must confess that I don't have a particularly insightful narrative to deliver to you this month, just a few random thoughts. The market continues to climb a wall of worry, largely on the back of central bank stimulus from around the world. The fundamental data continues to look mixed. It is encouraging that the leading indices have picked up over the past few weeks, but economic activity in Europe and Asia continues to deteriorate. Here in the U.S., the economy continues to plod along in unspectacular fashion. Durable goods orders were bad, the ISM indices were better than expected, and we learned that second quarter GDP growth was revised down to a meager 1.3%. On October 5, we got an in-line (albeit pitiful) payrolls number but an encouraging drop in the unemployment rate. And in the credit markets, opportunities continue to look more uninspiring than compelling. Oh well, as they say, you have to trade the market you have, not the one you want.

WAITING FOR OUR GOLDEN TATE MOMENT...

In case you are not a sports fan, Golden Tate is a wide receiver for the Seattle Seahawks who will go down in history as almost single-handedly ending the 2012 NFL referee strike. In the last play of a nationally televised Monday Night Football game, Tate was credited for catching the winning touchdown pass that defeated the Green Bay Packers. The only problem was that everyone saw that Tate didn't make the catch—everyone that is except the back-up refs officiating the game. That was the proverbial straw that broke the camel's back. Three days and one public relations nightmare later, the NFL reached an agreement with its striking referees and the "real" refs were back for Thursday Night Football. What got the NFL to move, in my humble opinion, was not the

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.

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blown call—those happen all the time. It was that the public began to question the integrity of the game. Repeated blown calls by the back-up referees coupled with their lack of control during the game caused many fans to wonder if the results were credible and the players safe. In short, was the sport still legitimate?

I have to wonder if the regulators and exchanges are waiting for their Golden Tate moment. What more do we need to happen before someone takes action to curb high frequency trading and install some controls on program trading? In case you missed it, we had another “once in a lifetime” event on October 3 when Kraft Foods Group’s stock jumped 29% in the first minute of trading due to a “technical glitch.” NASDAQ ended up cancelling 168 trades in the stock, representing roughly 29,000 shares that exchanged hands during a 15-second time period. I would show you the intraday chart, but the cancelled trades have been wiped from the history books in Bloomberg. I will go out on a limb here and speculate that the glitch was a massive supply/demand imbalance at the open caused by a series of algorithmic trades. Once the machines sensed the stock was better to buy, the programs that provide all that wonderful “liquidity” cancelled their offers at the same time. The poor Joe who placed a market order to buy the stock got filled at some ridiculous price.

The way I see it, we’re just sitting here waiting for a crisis of magnificent proportions before taking action. It is obvious that none of the glitches thus far have been alarming enough to prompt any action outside of a 10-minute circuit breaker rule. BATS Global cancelled its IPO because its own machines were not cooperating on its first day as a publicly traded stock. Knight Capital Group almost went out of business over a 30-minute period of rogue program trading. Facebook, one of the most eagerly awaited IPOs in history, had to delay its opening and allocations as a result of technical issues. Last but not least, there was that minor event on May 6, 2010 when the S&P 500 Index dropped about 8% in 10 minutes. For that one, I do have the intraday chart (Chart 1).

Chart 1: Flash Crash—May 6, 2010 Intraday Chart of the S&P 500 Index



Source: Bloomberg

The performance data included on this chart is not indicative of any specific fund and is for illustrative purposes only.

Each time one of these glitches occurs, the market’s integrity takes another hit. I would venture to say that this is one of many reasons for the continued disparity between fixed income and equity flows (year to date, that disparity is a +\$199 billion for fixed income and +\$9 billion for equities). There is a good portion of the investor universe who thinks that at best, they are at a meaningful technological disadvantage compared to some larger market participants; and at worst, the system is rigged against them. I can’t say I disagree with them. I am hoping that market regulators take a page from the playbook of the NFL and act fast, since I know our Golden Tate moment would be much more costly than a public relations fiasco and a fouled up win/loss record for the Packers and Seahawks.

WHILE WE'RE ON THE TOPIC OF POTENTIAL MARKET RISKS...

Along with high frequency trading, I believe the proliferation of credit related exchange traded funds (ETFs) pose one of the greatest risks to the markets today. I don't mean to rail against ETFs. They provide investors with a number of benefits, including low fees and ready liquidity. In the credit markets, an investor can get dedicated exposure to investment grade and high yield bonds, convertibles, loans and preferred securities. Many investors, rightly so, have taken advantage of this opportunity and diversified into many pockets of the credit markets in which they did not have exposure to prior to ETF offerings. However, there is a large unintended risk building. As the size of the credit ETFs continue to swell and their daily trading activity becomes an increasing share of the market, if we were to see fund outflows in conjunction with a "risk-off" period in credit, we could see a wicked cycle of selling that we have never experienced before. The selling will come from a massive daily liquidity vehicle, which is by rule fully invested in a defined universe of securities, whose liquidity profile could greatly differ from the investment vehicle that holds them at that time. To top it off, the liquidity of the credit market has decreased greatly with the diminished role of banks as market makers, and that's even been in the midst of a credit rally with massive fixed income inflows. Should the conditions be met, I fear an epic sell-off in credit.

Charts 2a-d show the meteoric rise in assets under management for four of the biggest ETFs in the credit markets. They all tell pretty much the same story—each fund was tiny at the beginning of 2008 and now each is very large. This year alone fund assets have jumped by 61% and 48% in the iShares iBoxx High Yield Corporate Bond (HYG) and iShares S&P U.S. Preferred Stock Index (PFF), respectively.

Charts 2a-2d: Growth in Assets under Management of Fixed Income (ETFs) (Assets in Millions)

Chart 2a: SPDR Barclays Capital High Yield Bond (JNK)

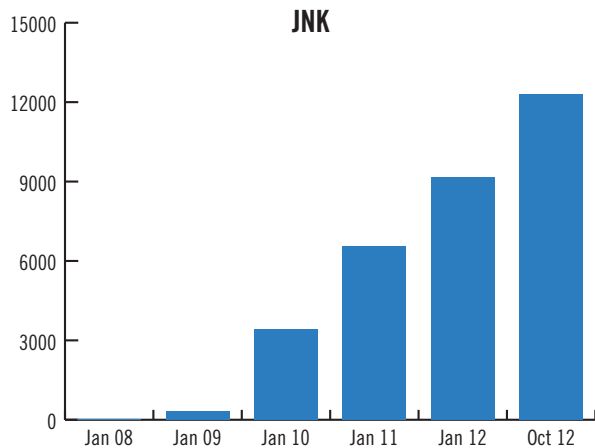


Chart 2b: iShares S&P U.S. Preferred Stock Index (PFF)

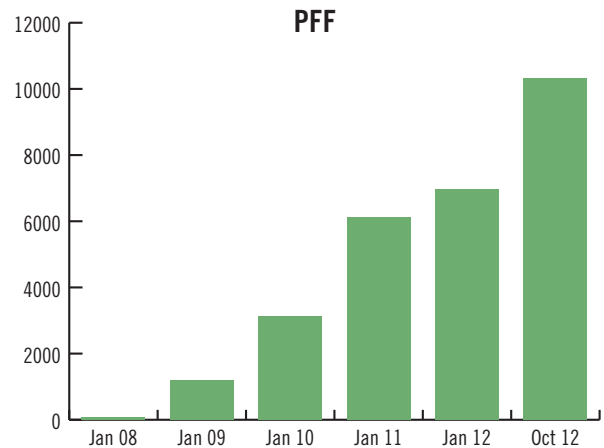


Chart 2c: iShares iBoxx High Yield Corporate Bond (HYG)

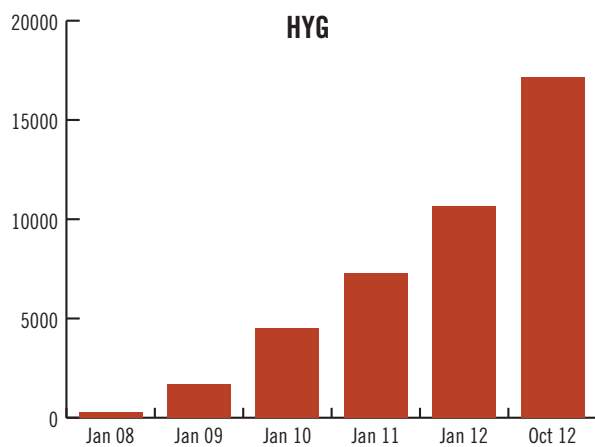
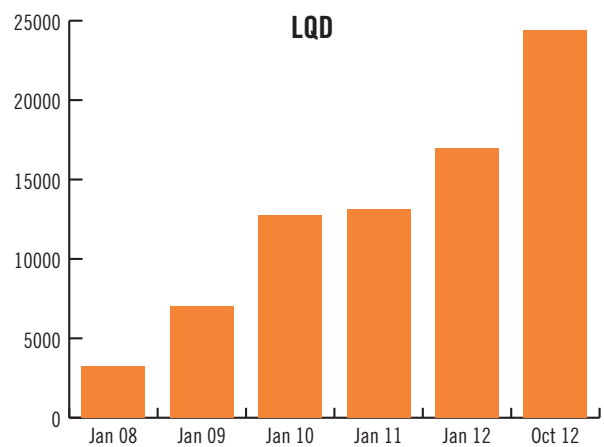


Chart 2d: iShares iBoxx \$ Invest Grade Corp Bond (LQD)



Source: Bloomberg

The performance data included on these charts are not indicative of any specific fund and are for illustrative purposes only.

The grave risk is that the liquidity of the vehicle, which is almost instantaneous in the case of the ETF, may not match the liquidity of the underlying investments when a crisis hits the market. Many investors, I believe, dramatically overestimate the liquidity of the credit markets in times of severe stress. Because these ETFs trade like stocks, it gives the end investor a false sense of security that the liquidity of the underlying investments also trade like stocks. Anyone who has traded credit products through a market cycle will tell you that this is simply not the case. Even “liquid” bonds may go days without trading during market turmoil. If a credit crisis were to hit us now in conjunction with large outflows from these vehicles, we could witness a vicious cycle of selling on the way down.

ETFs, by rule, must sell bonds to satisfy redemptions. How is this any different than a mutual fund or hedge fund? In the case of a mutual fund, the manager may use derivatives or hold a substantial amount of cash to satisfy redemptions. Further, the fund managers may reconstruct their portfolio in preparation for a period of prolonged outflows. The hedge fund manager requires a notice period prior to satisfying redemptions, which often creates a time lag of 45 to 90 days between when a redemption request is made and the funds are received. Additionally, like mutual fund managers, hedge fund managers can hold substantial amounts of cash or hedges so that they may not have to sell their long positions to meet redemptions. The ETF though, sells in a systematic fashion and holds little cash. There is not much attention paid to positioning the portfolio for future outflows or striving to achieve a certain return. Rather, the objective often times is to have the portfolio resemble a given index. When there are outflows, bonds are sold in systematic fashion. We see it rarely, because the flows have only been one way for years. But on the rare occasion when we do see how these redemptions are met through position liquidation, it is frightening to think about what several quarters or years of that phenomena would do to the credit markets. I view this as a major and growing risk. There are a number of reasons why this could be a nightmare for bond investors, such as:

- We have never lived through a credit crisis in which the marginal seller is a daily liquidity vehicle. Traditionally, these credit instruments have been held by more patient vehicles like insurance companies, hedge funds and even mutual funds.
- There has never been such a high degree of retail ownership of many of these credit products.
- There will be no reason for buyers to step in if they know that outflows from these vehicles are likely in the following week, and as a result, there will be more “automatic” selling.
- The sizes of the vehicles are huge.
- The street provides a fraction of the liquidity it used to in the credit markets.

It is certainly possible that I am overestimating the risks to the markets going forward, but I don’t believe so. If the lesson from the 2008 credit crisis was that you should not have a portfolio with 5-10x leverage in credit, I believe the next crisis will teach us that we should not have massive investment vehicles with liquidity characteristics that significantly differ from their underlying investments.

TAXES DO MATTER, RIGHT?

During my meetings with many investors over the past few months, the topic of the presidential election often comes up. Most of the people I have spoken with agree with the polls and believe that Obama is likely to win a second term in office. I imagine a Romney win would surprise the markets with a fair amount of enthusiasm. However, when I ask about their expectations for future tax policy, the answers are all over the place. Some believe the Bush tax cuts will expire for those earning above \$250,000 per year, others expect substantial changes to dividend and capital gains taxes, and many anticipate no meaningful changes to tax policy while the economy remains in this slow growth mode.

Given the wide disparity in opinions, I am surprised the performance of high dividend paying stocks have not suffered in recent months. If there are to be meaningful changes to tax policy in 2013, the tax rate for qualified dividends could take a big jump from its current level of 15%. This could have a large impact on the expected after-tax return an investor receives on high dividend

paying stocks. Below is the performance of the S&P 500 versus the Dow Jones Select Dividend Index since Bernanke's Jackson Hole speech in 2010. At this time, it became clear to many that the Fed was going to keep interest rates abnormally low for a very long period of time. As a result, many investors started to gravitate toward anything with above average yield or dividend income. As you can see, the Dividend Index has provided an almost identical rate of return over this time period with no sign of slowing down over the past few months. However, if taxes on dividends were to increase, demand for high dividend stocks could drop markedly. With 2013 only months away, high dividend paying stocks strike me as one of the more dangerous places to be when you look at it from a risk/return standpoint.

Chart 3: Performance of S&P 500 Index versus the Dow Jones Select Dividend Index



Source: Bloomberg
The performance data included on this chart is not indicative of any specific fund and is for illustrative purposes only.

That's all I've got for this month. It's hard to believe, but by the time our next letter comes out we'll know who our president is going to be for the next four years. How quickly time flies when you're having fun! Best of luck to you in October.

K.C. Nelson
Portfolio Manager, Driehaus Credit Strategies

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September 2012

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MONTH-END & CALENDAR QUARTER-END PERFORMANCE AS OF 9/30/12

Fund/Index	Average Annual Total Return							
	September	3rd QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (11/8/05)
Driehaus Active Income Fund*	0.60%	1.18%	6.74%	8.11%	2.92%	5.43%	----	4.81%
Citigroup 3-Month T-Bill Index ¹	0.01%	0.02%	0.05%	0.05%	0.09%	0.64%	----	1.77%
Barclays Capital U.S. Aggregate Bond Index ²	0.14%	1.59%	3.99%	5.16%	6.19%	6.53%	----	6.43%

*The Driehaus Active Income Fund commenced operations on June 1, 2009 following the receipt of the assets and liabilities of the Lotsoff Capital Management Active Income Fund (the "Predecessor Fund") through a reorganization into the Driehaus Active Income Fund (the "Fund"). Lotsoff Capital Management was the investment adviser from inception through April 2, 2009. Driehaus Capital Management LLC (the "Adviser") became the interim investment adviser to the Predecessor Fund on April 3, 2009.

ANNUAL FUND OPERATING EXPENSES** (expenses that you pay each year as a percentage of the value of your investment)

Driehaus Active Income Fund	
Management Fee	0.55%
Other Expenses	
Other Expenses Excluding Dividends and Interest on Short Sales	0.33%
Dividends and Interest on Short Sales	0.13%
Total Annual Fund Operating Expenses	1.01%

**Represents the Annual Fund Operating Expenses for the year ended December 31, 2011, as disclosed in the current prospectus dated April 29, 2012. 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.

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¹ The Citigroup 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The Citigroup 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends.

² The Barclays Capital U.S. Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

DRIEHAUS ACTIVE INCOME FUND

Portfolio Characteristics* — September 30, 2012

PORTFOLIO SNAPSHOT (as of 9/30/12)

		<i>Excluding Cash</i>
Assets Under Management (AUM)	2,701,289,218	
Long Exposure	2,706,086,266	2,138,479,201
Short Exposure	(1,351,772,951)	(1,351,772,951)
Net Exposure	1,354,313,316	786,706,251
Net Exposure/AUM	50.14%	29.12%
Gross Exposure	4,057,859,217	3,490,252,152
Gross Exposure/AUM	1.50	1.29

RISK SUMMARY (as of 9/30/12)

Effective Duration	0.66 Years
Effective Spread Duration	2.19 Years
Portfolio Coupon	4.35%
Portfolio Yield-To-Worst	7.45%
Portfolio Current Yield	3.92%
Average % of Par Longs	103.73%
Average % of Par Shorts	101.27%
Beta vs. S&P 500	0.11

TRADING STRATEGY TYPE (as of 9/30/12)

	Gross Exposure	% of Gross Exposure	% Contrib. to Total Return	% of Gross Exposure Change vs. Previous Month End
Capital Structure Arbitrage ¹	800,538,721	19.73%	0.10%	1.41%
Convertible Arbitrage ¹	335,274,063	8.26%	0.01%	0.24%
Event Driven ¹	147,825,982	3.64%	0.10%	0.07%
Pairs Trading ¹	116,511,362	2.87%	0.00%	0.04%
Directional Long ¹	1,162,840,104	28.66%	0.68%	1.67%
Directional Short ¹	262,291,094	6.46%	-0.10%	-0.33%
Interest Rate Hedge ¹	568,339,063	14.01%	0.03%	0.37%
Volatility Trading ¹	96,768,341	2.38%	-0.23%	-3.60%
Cash Equivalent	567,470,488	13.98%	0.00%	0.12%
Total	4,057,859,217	100.00%	0.60%	

MARKET CAPITALIZATION (as of 9/30/12)

BILLION	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure
\$0-500mm	5,271,034	0.19%	(8,041,629)	0.59%
\$500mm - 2bn	302,371,697	11.17%	(107,675,624)	7.97%
\$2bn - 10bn	195,352,991	7.22%	(161,078,723)	11.92%
\$10bn - 20bn	27,761,553	1.03%	(75,185,792)	5.56%
>\$20bn	280,722,260	10.37%	(156,809,830)	11.60%
<i>ABS/MBS/CMBS (Excluded)²</i>	<i>84,785,770</i>	<i>3.13%</i>	<i>-</i>	<i>0.00%</i>
<i>Private Companies (Excluded)³</i>	<i>1,242,213,897</i>	<i>45.90%</i>	<i>(274,642,290)</i>	<i>20.32%</i>
<i>Treasuries (Excluded)⁴</i>	<i>-</i>	<i>0.00%</i>	<i>(568,339,063)</i>	<i>42.04%</i>
<i>Cash (Excluded)</i>	<i>567,607,065</i>	<i>20.98%</i>	<i>-</i>	<i>0.00%</i>
Total	2,706,086,266	100.00%	(1,351,772,951)	100.00%

Source: Bloomberg

¹ A definition of this term can be found on page 2.

² Market capitalization information is unavailable for Asset Backed Securities (ABS)/ Mortgage Backed Securities (MBS)/ Commercial Mortgage-Backed Securities (CMBS).

³ Market capitalization information is unavailable for Private Companies.

⁴ Market capitalization information is unavailable for Treasuries.

Credit Ratings and market capitalization information for Credit Default Swaps (CDS) and Interest Rate Swaps are from underlying securities.

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices, exposure represents bond-equivalent exposure.

Note: A definition of key terms can be found on page 16

CREDIT RATING* (as of 9/30/12)

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure	% of Gross Exposure Change vs. Previous Month End
AAA ¹	584,465,958	21.60%	(643,092,028)	47.57%	1,227,557,986	30.25%	-1.76%
AA	34,704,839	1.28%	-	0.00%	34,704,839	0.86%	0.86%
A ²	61,503,553	2.27%	(30,145,137)	2.23%	91,648,691	2.26%	-0.08%
BBB	353,624,246	13.07%	(197,887,594)	14.64%	551,511,839	13.59%	3.24%
BB	255,351,135	9.44%	(138,217,121)	10.22%	393,568,256	9.70%	-1.78%
B	622,486,082	23.00%	(264,964,943)	19.60%	887,451,025	21.87%	-0.34%
CCC	551,712,271	20.39%	(60,677,221)	4.49%	612,389,493	15.09%	0.75%
CC	-	0.00%	-	0.00%	-	0.00%	-0.12%
C	88,647	0.00%	-	0.00%	88,647	0.00%	0.00%
D	-	0.00%	-	0.00%	-	0.00%	0.00%
Not Rated	242,149,535	8.95%	(16,788,906)	1.24%	258,938,441	6.38%	-0.78%
Total	2,706,086,266	100.00%	(1,351,772,951)	100.00%	4,057,859,217	100.00%	

PRODUCT TYPE (as of 9/30/12)

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure	% of Gross Exposure Change vs. Previous Month End
Asset Backed Securities (ABS)	17,580,770	0.65%	-	0.00%	17,580,770	0.43%	0.41%
Agency Mortgage ARM	967,884	0.04%	-	0.00%	967,884	0.02%	0.00%
Agency Mortgage CMO	35,013,617	1.29%	-	0.00%	35,013,617	0.86%	0.01%
Bank Loan	299,900,797	11.08%	-	0.00%	299,900,797	7.39%	-0.10%
Credit Default Swap (CDS) Index	-	0.00%	(80,153,708)	5.93%	80,153,708	1.98%	-0.35%
Commercial Mortgage Backed Securities	-	0.00%	-	0.00%	-	0.00%	0.00%
Convertible	263,673,294	9.74%	(47,257,947)	3.50%	310,931,241	7.66%	0.25%
Corp CDS	6,253,448	0.23%	(431,981,882)	31.96%	438,235,329	10.80%	-0.02%
Corp Credit	1,256,097,431	46.42%	(70,809,712)	5.24%	1,326,907,143	32.70%	2.24%
Equity	29,597,675	1.09%	(117,899,549)	8.72%	147,497,224	3.63%	0.03%
Equity Index Option	8,501,523	0.31%	(35,331,091)	2.61%	43,832,614	1.08%	-2.27%
Equity Option	-	0.00%	-	0.00%	-	0.00%	0.00%
Equity Warrant	20,114,440	0.74%	-	0.00%	20,114,440	0.50%	0.06%
Exchange Traded Fund (ETF)	-	0.00%	-	0.00%	-	0.00%	-0.95%
Government Bonds	-	0.00%	-	0.00%	-	0.00%	0.00%
Money Market	567,607,065	20.98%	-	0.00%	567,607,065	13.99%	0.13%
Mortgage/Collateralized Mortgage Obligations	31,223,499	1.15%	-	0.00%	31,223,499	0.77%	0.02%
Preferred	169,554,824	6.27%	-	0.00%	169,554,824	4.18%	0.19%
Treasury Future	-	0.00%	(568,339,063)	42.04%	568,339,063	14.01%	0.37%
Total	2,706,086,266	100.00%	(1,351,772,951)	100.00%	4,057,859,217	100.00%	

Source: Bloomberg, Moody's, Standard & Poor's

¹ All government bonds are rated AAA.

² All agency Mortgage Backed Securities (MBS) are rated A.

Credit Ratings:

AAA and AA: High credit-quality investment grade
A and BBB: Medium credit-quality investment grade
BB, B, CCC, CC, C: Low credit-quality (non-investment grade), or "junk bonds"
Not Rated: Bonds currently not rated

*Credit ratings listed are subject to change. Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available. The Adviser receives credit quality ratings on underlying securities of the portfolio from the three major ratings agencies - Moody's Investors Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). When calculating the credit quality breakdown, the Adviser utilizes Moody's and if Moody's is not available the manager selects the lower rating of S&P and Fitch.

Note: A definition of key terms can be found on page 16

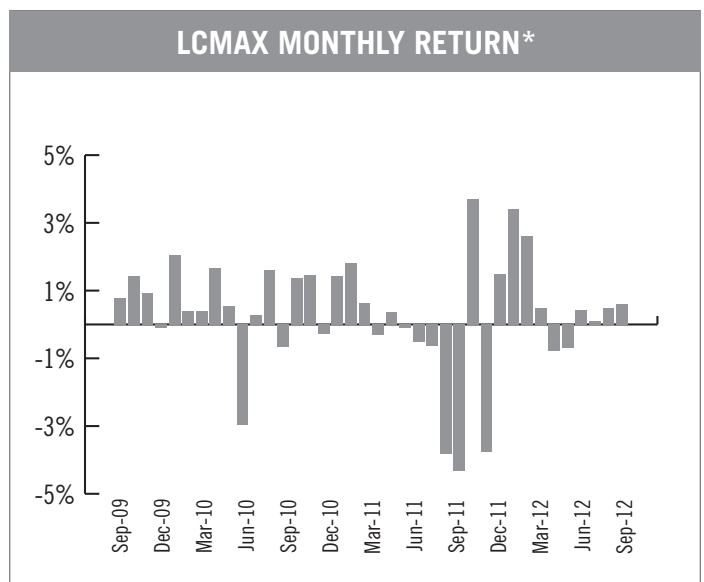
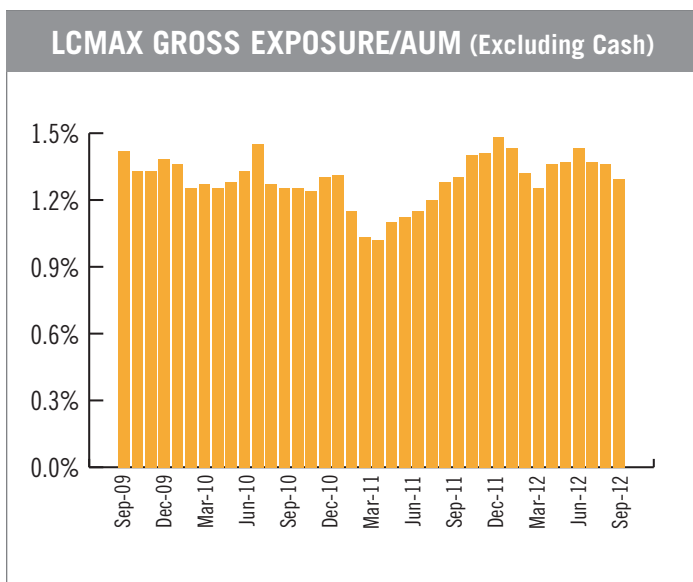
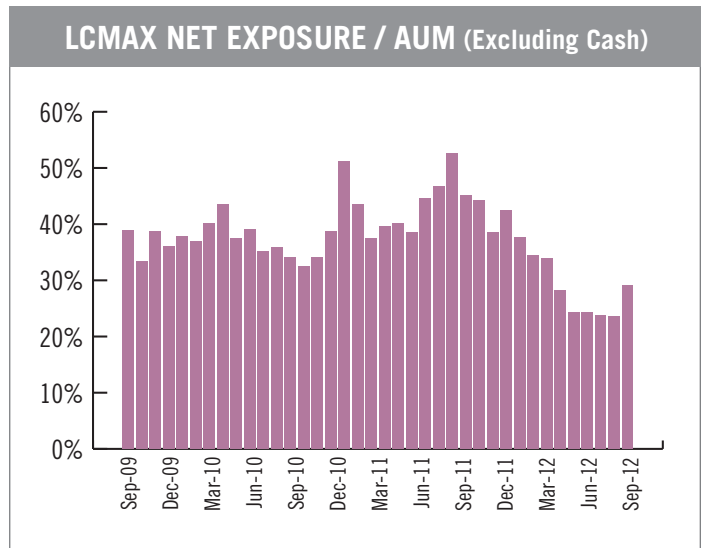
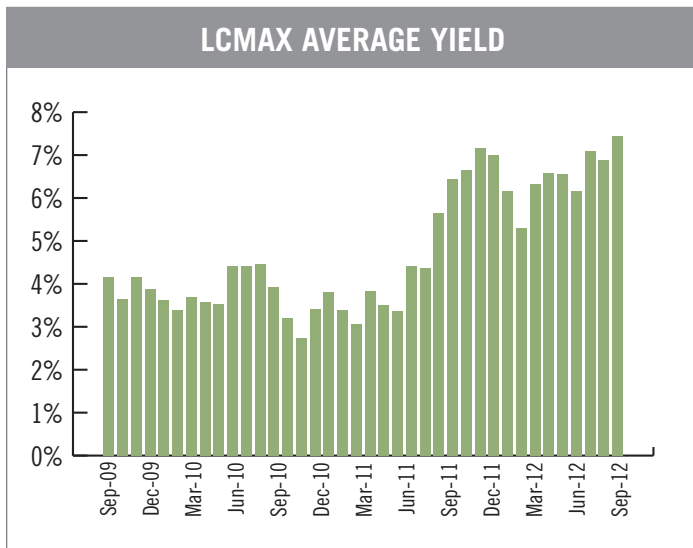
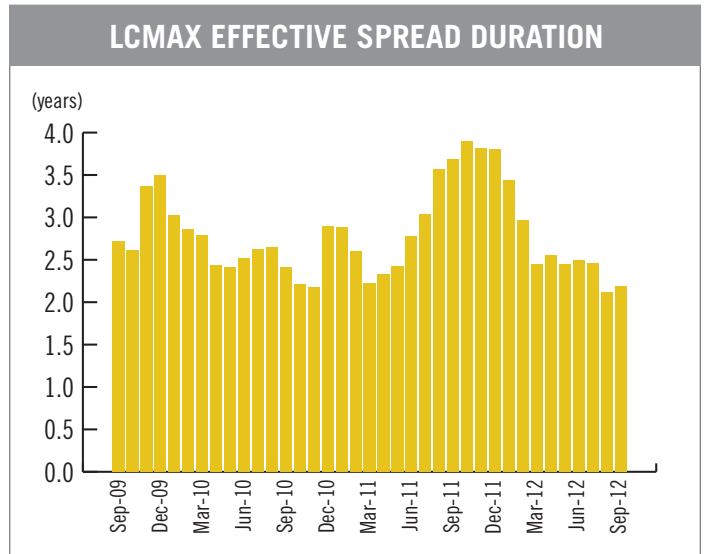
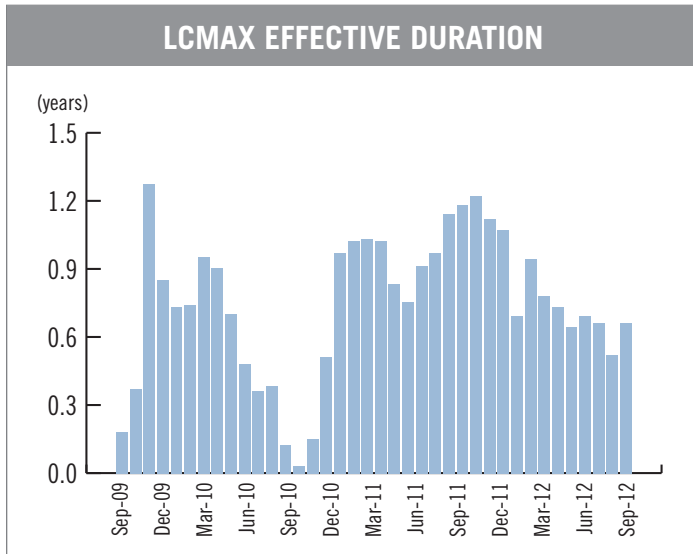
SPREAD DISTRIBUTION* (\$M) (as of 9/30/12)													
		0-100	100-200	200-300	300-400	400-500	500-600	600-700	700-800	800-900	900-1000	>1000	Total
Money Market	L. Exp.	567,607,065	-	-	-	-	-	-	-	-	-	-	567,607,065
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	567,607,065	-	-	-	-	-	-	-	-	-	-	567,607,065
ABS	L. Exp.	985,958	-	-	-	-	-	-	-	-	-	16,594,812	17,580,770
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	985,958	-	-	-	-	-	-	-	-	-	16,594,812	17,580,770
Agency Mortgage ARM	L. Exp.	967,884	-	-	-	-	-	-	-	-	-	-	967,884
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	967,884	-	-	-	-	-	-	-	-	-	-	967,884
Agency Mortgage CMO	L. Exp.	35,013,617	-	-	-	-	-	-	-	-	-	-	35,013,617
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	35,013,617	-	-	-	-	-	-	-	-	-	-	35,013,617
Mortgage CMO	L. Exp.	31,223,499	-	-	-	-	-	-	-	-	-	-	31,223,499
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	31,223,499	-	-	-	-	-	-	-	-	-	-	31,223,499
Bank Loan	L. Exp.	-	-	-	35,353,100	36,853,492	85,645,334	61,707,124	25,232,752	-	2,499,471	52,609,525	299,900,797
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	-	-	-	35,353,100	36,853,492	85,645,334	61,707,124	25,232,752	-	2,499,471	52,609,525	299,900,797
Corp. Credit	L. Exp.	38,244,629	93,380,915	129,925,844	148,830,423	244,065,845	194,738,737	11,372,014	103,088,362	24,080,814	54,854,384	213,515,465	1,256,097,431
	S. Exp.	-	-	-	(6,955,777)	(16,634,000)	(47,219,935)	-	-	-	-	-	(70,809,712)
	Net Exp.	38,244,629	93,380,915	129,925,844	141,874,646	227,431,846	147,518,802	11,372,014	103,088,362	24,080,814	54,854,384	213,515,465	1,185,287,719
Convertible Bond	L. Exp.	79,444,961	14,977,500	-	-	29,030,578	-	53,420,973	-	42,643,624	-	44,155,657	263,673,294
	S. Exp.	(39,421,875)	-	-	-	(7,836,072)	-	-	-	-	-	-	(47,257,947)
	Net Exp.	40,023,086	14,977,500	-	-	21,194,506	-	53,420,973	-	42,643,624	-	44,155,657	216,415,347
Preferred	L. Exp.	-	-	10,623,283	34,836,762	54,028,932	23,490,856	-	-	-	-	46,574,991	169,554,824
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	-	-	10,623,283	34,836,762	54,028,932	23,490,856	-	-	-	-	46,574,991	169,554,824
Equity	L. Exp.	8,357,370	-	-	21,240,305	-	-	-	-	-	-	-	29,597,675
	S. Exp.	(61,398,611)	-	-	-	(1,915,339)	(5,548,074)	(33,035,526)	(679,340)	-	-	(15,322,658)	(117,899,549)
	Net Exp.	(53,041,241)	-	-	21,240,305	(1,915,339)	(5,548,074)	(33,035,526)	(679,340)	-	-	(15,322,658)	(88,301,874)
Equity Warrant	L. Exp.	-	-	-	20,114,440	-	-	-	-	-	-	-	20,114,440
	S. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	Net Exp.	-	-	-	20,114,440	-	-	-	-	-	-	-	20,114,440
Equity Index Option	L. Exp.	-	-	-	-	-	-	-	-	-	-	8,501,523	8,501,523
	S. Exp.	-	-	-	-	-	-	-	-	-	-	(35,331,091)	(35,331,091)
	Net Exp.	-	-	-	-	-	-	-	-	-	-	(26,829,568)	(26,829,568)
Treasury Futures	L. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	S. Exp.	(568,339,063)	-	-	-	-	-	-	-	-	-	-	(568,339,063)
	Net Exp.	(568,339,063)	-	-	-	-	-	-	-	-	-	-	(568,339,063)
Corp. CDS	L. Exp.	4,242,374	-	-	-	2,011,074	-	-	-	-	-	-	6,253,448
	S. Exp.	(165,369,725)	(120,382,189)	(18,724,777)	(48,714,597)	-	(9,936,636)	(4,756,272)	(11,795,721)	-	-	(52,301,966)	(431,981,882)
	Net Exp.	(161,127,351)	(120,382,189)	(18,724,777)	(48,714,597)	2,011,074	(9,936,636)	(4,756,272)	(11,795,721)	-	-	(52,301,966)	(425,728,434)
CDS Index	L. Exp.	-	-	-	-	-	-	-	-	-	-	-	-
	S. Exp.	-	(7,793,014)	-	-	(19,561,544)	(52,799,150)	-	-	-	-	-	(80,153,708)
	Net Exp.	-	(7,793,014)	-	-	(19,561,544)	(52,799,150)	-	-	-	-	-	(80,153,708)
Combined	L. Exp.	766,087,358	108,358,415	140,549,127	260,375,030	365,989,921	303,874,927	126,500,111	128,321,113	66,724,437	57,353,855	381,951,972	2,706,086,266
	S. Exp.	(834,529,274)	(128,175,202)	(18,724,777)	(55,670,374)	(45,946,955)	(115,503,795)	(37,791,798)	(12,475,061)	-	-	(102,955,715)	(1,351,772,951)
	Net Exp.	(68,441,916)	(19,816,788)	121,824,351	204,704,656	320,042,966	188,371,132	88,708,313	115,846,052	66,724,437	57,353,855	278,996,257	1,354,313,316
	%	-5.05%	-1.46%	9.00%	15.12%	23.63%	13.91%	6.55%	8.55%	4.93%	4.23%	20.60%	100.00%

Source: Bloomberg

*Spread differential between the underlying securities and Treasury bonds in basis points

The chart above measures the excess yield (in basis points) that these securities provide over the yield offered by U.S. treasuries of comparable maturities according to market prices at the end of the month. We then define the security type, as well as the Fund's long and short exposure, and plot these exposures based on current market values to show a more accurate view of where the Fund's capital is allocated than can be depicted by simply defining exposures by credit rating or security type.

Note: A definition of key terms can be found on page 16



Sources: Driehaus Capital Management LLC, Bloomberg

Note: A definition of key terms can be found on page 16

*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.

INDUSTRY GROUP (as of 9/30/12)

GICS¹	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Automobiles & Components	137,371,749	5.08%	(78,235,784)	5.79%	215,607,533	5.31%
Capital Goods	191,695,576	7.08%	(19,155,740)	1.42%	210,851,316	5.20%
Commercial & Professional Services	-	0.00%	(27,775,045)	2.05%	27,775,045	0.68%
Consumer Durables & Apparel	4,242,374	0.16%	(89,668,299)	6.63%	93,910,673	2.31%
Consumer Services	171,653,924	6.34%	(29,444,892)	2.18%	201,098,816	4.96%
Diversified Financials	211,415,399	7.81%	(50,457,125)	3.73%	261,872,524	6.45%
Energy	131,311,921	4.85%	(26,704,239)	1.98%	158,016,160	3.89%
Food & Staples Retailing	126,887,360	4.69%	(20,560,538)	1.52%	147,447,898	3.63%
Food Beverage & Tobacco	-	0.00%	(16,327,961)	1.21%	16,327,961	0.40%
Health Care Equipment & Services	71,755,074	2.65%	(679,340)	0.05%	72,434,414	1.79%
Household & Personal Products	21,557,216	0.80%	-	0.00%	21,557,216	0.53%
Insurance	32,269,005	1.19%	(20,363,283)	1.51%	52,632,289	1.30%
Materials	49,070,455	1.81%	(17,935,935)	1.33%	67,006,391	1.65%
Media	33,251,848	1.23%	-	0.00%	33,251,848	0.82%
Pharmaceuticals, Biotechnology & Life Sciences	58,783,171	2.17%	-	0.00%	58,783,171	1.45%
Real Estate	30,736,901	1.14%	(68,780,203)	5.09%	99,517,104	2.45%
Retailing	164,307,196	6.07%	(42,690,381)	3.16%	206,997,576	5.10%
Semiconductors & Semiconductor Equipment	56,470,045	2.09%	-	0.00%	56,470,045	1.39%
Software & Services	131,651,073	4.86%	(82,885,338)	6.13%	214,536,411	5.29%
Technology Hardware & Equipment	175,990,826	6.50%	(63,139,890)	4.67%	239,130,717	5.89%
Telecommunication Services	259,354,532	9.58%	(13,145,097)	0.97%	272,499,629	6.72%
Transportation	2,011,074	0.07%	-	0.00%	2,011,074	0.05%
Other²						
Agency Mortgage ARM	967,884	0.04%	-	0.00%	967,884	0.02%
Agency Mortgage CMO	35,013,617	1.29%	-	0.00%	35,013,617	0.86%
CDS HY Index	-	0.00%	(27,354,558)	2.02%	27,354,558	0.67%
Equity Index	8,501,523	0.31%	(35,331,091)	2.61%	43,832,614	1.08%
Home Equity ABS	304,326	0.01%	-	0.00%	304,326	0.01%
iTraxx Crossover Index	-	0.00%	(52,799,150)	3.91%	52,799,150	1.30%
Money Market	567,607,065	20.98%	-	0.00%	567,607,065	13.99%
Mortgage CMO	31,223,499	1.15%	-	0.00%	31,223,499	0.77%
Other ABS	681,632	0.03%	-	0.00%	681,632	0.02%
Sovereign	-	0.00%	(568,339,063)	42.04%	568,339,063	14.01%
Total	2,706,086,266	100.00%	(1,351,772,951)	100.00%	4,057,859,217	100.00%

Sources: Bloomberg, Global Industry Classification Standard

¹The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

²The Other Industry Group data is not categorized within the GICS classification system.

*Agency Collateral Collateralized Mortgage Obligation

**Credit Default Swaps Fixed Income Index

***Federal Home Loan Mortgage Corporation Collateral

Industry group information for Credit Default Swaps and Interest Rate Swaps is from underlying securities.

Note: A definition of key terms can be found on page 16

INDUSTRY SECTOR (as of 9/30/12)

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
GICS¹						
Consumer Discretionary	510,827,092	18.88%	(240,039,355)	17.76%	750,866,447	18.50%
Consumer Staples	148,444,577	5.49%	(36,888,499)	2.73%	185,333,076	4.57%
Energy	131,311,921	4.85%	(26,704,239)	1.98%	158,016,160	3.89%
Financials	274,421,305	10.14%	(139,600,611)	10.33%	414,021,916	10.20%
Health Care	130,538,245	4.82%	(679,340)	0.05%	131,217,585	3.23%
Industrials	193,706,649	7.16%	(46,930,784)	3.47%	240,637,434	5.93%
Information Technology	364,111,944	13.46%	(146,025,228)	10.80%	510,137,173	12.57%
Materials	49,070,455	1.81%	(17,935,935)	1.33%	67,006,391	1.65%
Telecommunication Services	259,354,532	9.58%	(13,145,097)	0.97%	272,499,629	6.72%
Utilities	-	0.00%	-	0.00%	-	0.00%
Other²						
Asset Backed Securities	985,958	0.04%	-	0.00%	985,958	0.02%
CDS Index	-	0.00%	(80,153,708)	5.93%	80,153,708	1.98%
Debt ETF	-	0.00%	-	0.00%	-	0.00%
Equity Index	8,501,523	0.31%	(35,331,091)	2.61%	43,832,614	1.08%
Money Market	567,607,065	20.98%	-	0.00%	567,607,065	13.99%
Mortgage Backed Securities	67,205,000	2.48%	-	0.00%	67,205,000	1.66%
US Government	-	0.00%	(568,339,063)	42.04%	568,339,063	14.01%
Total	2,706,086,266	100.00%	(1,351,772,951)	100.00%	4,057,859,217	100.00%

QUARTERLY TRADING STRATEGY TYPE (as of 9/30/12)
% Contrib. to Total Return

	July	August	September	3rd QTR
Capital Structure Arbitrage ³	0.07%	0.04%	0.10%	0.21%
Convertible Arbitrage ³	0.04%	0.04%	0.01%	0.09%
Event Driven ³	0.05%	0.07%	0.10%	0.21%
Pairs Trading ³	0.10%	0.11%	0.00%	0.21%
Directional Long ³	0.26%	0.49%	0.68%	1.44%
Directional Short ³	-0.03%	-0.11%	-0.10%	-0.24%
Interest Rate Hedge ³	-0.23%	-0.04%	0.03%	-0.23%
Volatility Trading ³	-0.16%	-0.11%	-0.23%	-0.50%
Cash Equivalent	0.00%	0.00%	0.00%	0.00%
Total	0.10%	0.48%	0.60%	1.18%

Sources: Bloomberg, Global Industry Classification Standard

Industry sector information for CDS and Interest Rate Swaps is from underlying securities.

¹The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is system of classification that identifies a company according to its business activity.

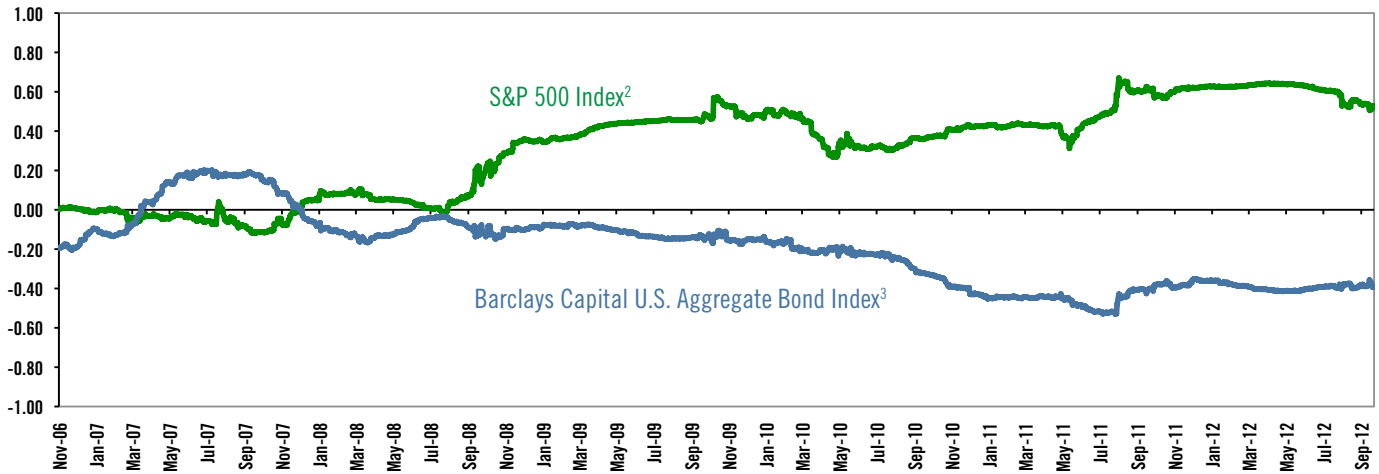
²The Other Industry Group data is not categorized within the GICS classification system.

³A definition of this term can be found on page 2.

Note: A definition of key terms can be found on page 16

CORRELATION¹ COMPARISON (as of 9/30/12)

12-Month Rolling Correlations vs. Driehaus Active Income Fund



Source: Standards & Poor's ("S&P") 500 Index total return data from Bloomberg. Barclays Capital U.S. Aggregate Bond Index data from Barclays Capital

The benchmarks for the Driehaus Active Income Fund are the Citigroup 3-Month T-Bill and the Barclays Capital U.S. Aggregate Bond Index. The S&P 500 Index is shown for illustrative purposes only.

¹ Correlation is a statistical measure of how return sets move in relation to each other. Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move by an equal amount in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random. The S&P 500 Index and the Barclays Capital U.S. Aggregate Bond Index are recognized proxies for the U.S. fixed income market.

² The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value.

³ The Barclays Capital U.S. Aggregate Bond Index is a broad base index, maintained by Barclays Capital, used to represent investment grade bonds being traded in the United States.

The Driehaus Active Income Fund (the "Fund"), in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. 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. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile.

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 (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on October 4, 2012 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

DEFINITIONS OF KEY TERMS

AGENCY MORTGAGE-BACKED SECURITY

A mortgage-backed security issued and guaranteed by a government agency such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association.

ASSET-BACKED SECURITY (ABS)

A security whose value and income payments are derived from and collateralized (or “backed”) by a specified pool of underlying assets.

AVERAGE % OF PAR-LONGS

The average dollar price of a bond the Fund is long as a percentage of par.

AVERAGE % OF PAR-SHORTS

The average dollar price of a bond the Fund is short as a percentage of par.

CREDIT DEFAULT SWAP (CDS)

A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

EQUITY BETA

A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

EFFECTIVE DURATION

A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

EFFECTIVE SPREAD DURATION

The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

MORTGAGE-BACKED SECURITY (MBS)

An asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property.

PORTFOLIO COUPON

The annualized interest earned for the portfolio.

PORTFOLIO CURRENT YIELD

The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

PORTFOLIO YIELD-TO-WORST

The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

STOCK VEGA

The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

SWAP

A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.