

# Driehaus Emerging Markets Growth Fund

Investor Class: **DREGX**Institutional Class: **DIEMX**

## KEY FEATURES

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

## INCEPTION DATES

DREGX: 12/31/1997

DIEMX: 7/17/2017

## FUND ASSETS UNDER MANAGEMENT

DREGX: \$881 million

DIEMX: \$716 million

## FIRM ASSETS UNDER MANAGEMENT

\$8.1 billion

## INVESTMENT UNIVERSE

Emerging markets all cap equity

## INVESTMENT STYLE

Growth equity

## PORTFOLIO MANAGERS



**Howard Schwab**  
Lead Portfolio Manager  
17 years of experience



**Chad Cleaver, CFA**  
Portfolio Manager  
16 years experience



**Richard Thies**  
Portfolio Manager  
11 years of investment experience



## MARKET OVERVIEW

Emerging markets remained volatile and broadly neutral in the third quarter. The MSCI EM Index declined 1.0% (USD) over the quarter, lagging the MSCI World Index and the S&P 500 Index, which posted 4.4% and 7.7% returns, respectively.

The third quarter opened with EM indices mostly shrugging off a contentious but long anticipated round of tariffs between the US and China. However, as trade tension between China and the US simmered, tightening global liquidity conditions, concerns about global growth and rising commodity prices continued to present headwinds. Ultimately, this confluence of factors resulted in pressure on selective EM asset markets and subsequently underpinned relative underperformance of EM equities with acute pressure seen in specific (typically the weaker deficit nations) markets.

There was a wide dispersion in equity performance during the quarter. Turkey and Egypt were down sharply, while traditionally low beta markets in North Asia and Eastern Europe fared better. The Argentine Peso, the Turkish Lira, the South African Rand and the Indian Rupee were among the hardest hit currencies during the third quarter. In the case of Turkey, an already vulnerable situation was exacerbated by an unorthodox policy posture and a geopolitical spat with the US over Turkish imprisonment of a US

citizen, which resulted in threats of sanctions by the Trump administration. The upcoming election in Brazil introduced a lot of volatility into the market, with investors oscillating between concerns about a return to leftist governance and a move towards right wing populism.

Commodity exposed sectors like materials and energy were the strongest performing sectors during the third quarter, while industrials, financials and IT also ended higher. Traditionally rate sensitive and duration exposed areas fared worse, resulting in underperformance for growth oriented companies.

## PERFORMANCE REVIEW

The Driehaus Emerging Markets Growth Fund underperformed the MSCI Emerging Markets Index as the fund returned -3.86% relative to the index's smaller decline of -1.09%<sup>1</sup>. On a sector basis, financials were the largest detractor from the fund's relative performance. Our overweight in Indian financials underperformed as the market absorbed a combination of new regulatory guidelines, tighter liquidity condition, a weaker Rupee and an unexpected management transition at one particular bank. Consumer discretionary posted the best relative performance for the fund as superior stock selection relative to the index kept us ahead of the index in a laggard sector.

<sup>1</sup>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](http://www.driehaus.com) for more current performance information. Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

From a country standpoint, India and China were key drivers of the fund's underperformance due largely to stock selection. As noted above, our overweight in Indian financials underperformed for a variety of reasons, dragging down relative performance in the country. In China, our underweight to the country was offset by exposure to higher beta areas of the market, including notably a company in Apple's supply chain that sold off on trade war fears, a beverage company that underperformed following a tender offer by its largest shareholder ("sell the news"), and an on-line human resources consultancy that reported disappointing quarterly earnings.

#### **OUTLOOK AND POSITIONING**

Over the quarter, the fund shifted exposure towards energy, materials and financials, and reduced exposure to industrials and health care. The fund also added to its weight in Brazil during the quarter, going from slightly underweight to overweight while reducing exposure to China. Election related risks in Brazil had begun to look fully priced in, opening an opportunity to add high-quality exposure at attractive levels. In China, we saw rising risks as trade tension escalated and policy uncertainty increased in regulated sectors such as gas distribution and education.

Between increasingly damaging trade policy emanating from the US and the upward trajectory of US interest rates,

we see continued volatility as likely in the near term. That said, we see the recent weakness in several markets as having begun to reveal opportunities to add risk despite a currently challenging environment. The divergence between EM and DM markets continues to appear extreme and we are monitoring markets for evidence that tightening liquidity conditions have overshot and therefore will begin to ease. At the same time, the fiscal and economic conditions for most developing nations remain far healthier than seen during prior down-cycles in spite of the de-rating witnessed in emerging markets. The prevailing sentiment is that markets like US equities represent the preferred destination for incremental capital given the unsynchronized monetary cycle reversal currently underway, however experience dictates that this trend will not sustain in perpetuity.

Domestic politics has been an important theme in several markets over the summer, and we expect that to remain the case. Most notably, polling in Brazil has begun to favor the controversial but generally market friendly Bolsonaro in Brazil's upcoming election, and recent local elections in Minas Gerais and elsewhere has re-enforced the ascendancy of market friendly candidates. We expect that a favorable outcome in this election would create a rare opportunity to tackle necessary structural reform in Brazil, supporting Brazilian markets. Chinese GDP growth has continued to soften, and the

outlook remains challenging. However, the government is actively pursuing a variety of efforts to support the economy and offset trade-related headwinds, including export tax refunds, signaling intent to defend the Chinese Yuan and supporting fixed asset investment. At the same time, policymakers in China remain committed to structural reforms including capacity rationalization and environmental reforms.

We remain persuaded that the current pressures on emerging markets will abate, allowing for a more constructive outlook to emerge over the next 1-2 years. We are encouraged by improved economic stewardship in several emerging markets and significant improvements in corporate governance and capital discipline to match. Valuations have corrected meaningfully, with the third quarter marking a likely bottom in some markets even as choppy conditions remain. Certainly, the outlook is not without risk, with prevailing headwinds remaining on trade, Chinese growth, and the US dollar. However, we are beginning to see opportunities that adequately reflect those risks. Although the underperformance of emerging markets in 2018 is notable, we would also remind investors that the asset class rose nearly 38% in 2017 and that a giveback of one-third of those gains amidst the headwinds of 2018 represents a fairly standard correction in the context of historical global market behavior.

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*This update is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment fund or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives.*

*This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC ("Driehaus") as of October 18, 2018 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since October 18, 2018 and may not reflect recent market activity.*

*The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. 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.*

| PERFORMANCE (%) as of 9/30/18                             | Annualized Total Return |              |              |              |             |             |                    |
|---|-------------------------|--------------|--------------|--------------|-------------|-------------|--------------------|
|   | QTR                     | YTD          | 1 Year       | 3 Year       | 5 Year      | 10 Year     | Inception 12/31/97 |
| <b>Investor Class: DREGX</b>                              | <b>-3.86</b>            | <b>-9.54</b> | <b>-2.77</b> | <b>10.85</b> | <b>3.58</b> | <b>7.41</b> | <b>11.25</b>       |
| <b>Institutional Class: DIEMX<sup>+</sup></b>             | <b>-3.78</b>            | <b>-9.37</b> | <b>-2.54</b> | <b>10.93</b> | <b>3.63</b> | <b>7.43</b> | <b>11.26</b>       |
| MSCI Emerging Markets Index <sup>1</sup> (ND) (Benchmark) | -1.09                   | -7.68        | -0.81        | 12.36        | 3.61        | 5.40        | *                  |
| MSCI Emerging Markets Growth Index <sup>2</sup> (ND)      | -5.38                   | -10.94       | -3.89        | 13.03        | 5.08        | 6.18        | *                  |

<sup>+</sup>Institutional Class performance is that of the Investor Class from December 31, 1997 through the inception of the Institutional Class on July 17, 2017, and actual Institutional Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Institutional Class for the period prior to the Class's inception, and Institutional Class performance results would differ if such expenses were reflected.

#### ANNUAL FUND OPERATING EXPENSES<sup>3</sup>

|                                   | Management Fee <sup>4</sup> | Other Expenses <sup>5</sup> | Acquired Fund Fees and Expenses | Total Annual Fund Operating Expenses |
|-----------------------------------|-----------------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Investor Class: DREGX</b>      | 1.04%                       | 0.38%                       | 0.01%                           | <b>1.43%</b>                         |
| <b>Institutional Class: DIEMX</b> | 1.04%                       | 0.16%                       | 0.01%                           | <b>1.21%</b>                         |

#### SECTOR PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/18 to 9/30/18

|                        | Driehaus Emerging Markets Growth Fund (DREGX) (Port) (%) |                   |                        | MSCI Emerging Markets Index (ND) <sup>1</sup> (Bench) (%) |                    |                         | Attribution Analysis (%) |                         |              |
|------------------------|--|-------------------|------------------------|---|--------------------|-------------------------|--------------------------|-------------------------|--------------|
|                        | Port Avg. Weight   | Port Total Return | Port Contrib To Return | Bench Avg. Weight   | Bench Total Return | Bench Contrib To Return | Allocation Effect        | Selection + Interaction | Total Effect |
| GICS Sector            |  |                   |                        |   |                    |                         |                          |                         |              |
| Communication Services | 9.94   | -15.60            | -1.56                  | 14.62   | -9.49              | -1.39                   | 0.38                     | -0.64                   | -0.28        |
| Consumer Discretionary | 12.53  | -7.99             | -0.91                  | 11.03   | -9.93              | -1.14                   | -0.11                    | 0.28                    | 0.18         |
| Consumer Staples       | 6.64   | -7.11             | -0.40                  | 6.63  | -2.78              | -0.17                   | -0.01                    | -0.44                   | -0.28        |
| Energy                 | 6.60   | 16.62             | 1.15                   | 7.54  | 14.30              | 1.03                    | -0.09                    | 0.14                    | 0.09         |
| Financials             | 29.46  | -1.78             | -0.67                  | 23.09   | 1.31               | 0.28                    | 0.16                     | -1.31                   | -0.79        |
| Health Care            | 3.95   | -18.50            | -0.75                  | 3.08  | -7.15              | -0.24                   | -0.10                    | -0.39                   | -0.54        |
| Industrials            | 4.35   | -14.58            | -0.67                  | 5.25  | 2.77               | 0.15                    | -0.05                    | -0.66                   | -0.79        |
| Information Technology | 13.27  | 2.04              | 0.29                   | 15.65   | 2.28               | 0.28                    | 0.00                     | -0.02                   | -0.03        |
| Materials              | 4.82   | 7.34              | 0.38                   | 7.73  | 4.23               | 0.31                    | -0.17                    | -0.80                   | 0.03         |
| Real Estate            | 0.98   | -12.13            | -0.09                  | 2.90  | -5.61              | -0.16                   | 0.09                     | -0.03                   | 0.05         |
| Utilities              | 0.80   | -23.88            | -0.17                  | 2.48  | -1.90              | -0.05                   | 0.02                     | -0.18                   | -0.19        |
| Cash                   | 6.68   | -1.14             | -0.08                  | 0.00  | 0.00               | 0.00                    | 0.11                     | 0.00                    | 0.13         |
| Unassigned**           | 0.00   | -0.35             | -0.35                  | 0.00  | 0.00               | 0.00                    | -0.35                    | 0.00                    | -0.34        |
| <b>Total</b>           | <b>100.00</b>  | <b>-3.85</b>      | <b>-3.85</b>           | <b>100.00</b>   | <b>-1.09</b>       | <b>-1.09</b>            | <b>-0.12</b>             | <b>-4.05</b>            | <b>-2.76</b> |

Data as of 9/30/18

\*The inception of the fund predates the inception of the index. \*\*Unassigned refers to securities not recognized by Factset.

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance, Morgan Stanley Capital International and Standard & Poor's Global Industry Classification Standard. 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. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information. <sup>1</sup>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 global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. <sup>2</sup>The Morgan Stanley Capital International Emerging Markets Growth Index (MSCI Emerging Markets Growth Index) is a subset of the MSCI Emerging Markets Index and includes only the MSCI Emerging Markets Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. <sup>3</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2018. 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. A shareholder may be required to pay a commission to their financial intermediary. <sup>4</sup>Effective July 17, 2017, the Driehaus Emerging Markets Growth Fund pays the Adviser an annual management fee on a monthly basis as follows: 1.05% of average daily net assets up to \$1.5 billion and 0.75% of average daily net assets in excess of \$1.5 billion. <sup>5</sup>"Other Expenses" for the Investor Shares have been estimated to reflect a full year of the shareholder services fee arrangement. "Other Expenses" for the Institutional Shares are estimated for the current fiscal year because the class had less than 6 months of operating results. <sup>6</sup>**Total Effect** - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only.

## COUNTRY PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/18 to 9/30/18

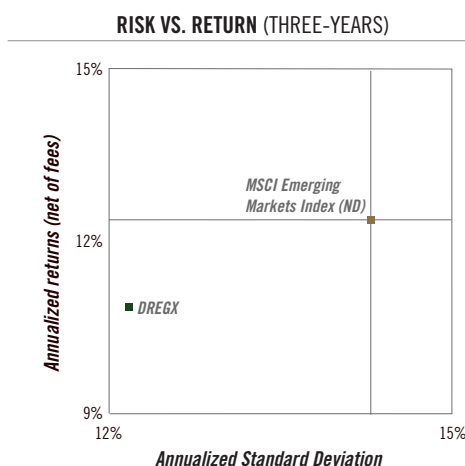
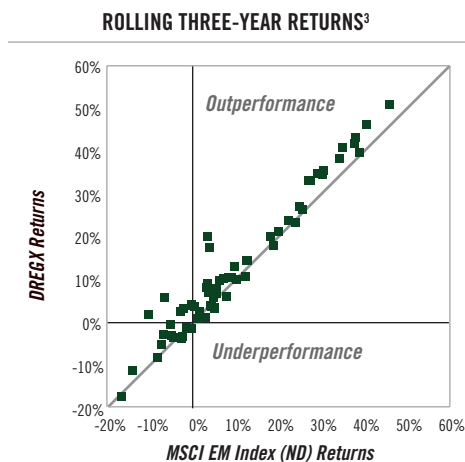
| MSCI Country         | Driehaus Emerging Markets Growth Fund (DREGX)<br>(Port) (%) |                   |                        | MSCI Emerging Markets Index (ND) <sup>1</sup><br>(Bench) (%) |                    |                         | Total Effect |
|----------------------|---|-------------------|------------------------|--|--------------------|-------------------------|--------------|
|                      | Port Avg. Weight  | Port Total Return | Port Contrib To Return | Bench Avg. Weight  | Bench Total Return | Bench Contrib To Return |              |
| Argentina            | 0.72  | 3.86              | 0.14                   | 0.00   | 0.00               | 0.00                    | 0.14         |
| Australia            | 0.00  | 0.00              | 0.00                   | 0.03   | -26.04             | -0.01                   | 0.01         |
| Austria              | 0.03  | -3.93             | -0.01                  | 0.00   | 0.00               | 0.00                    | -0.01        |
| Brazil               | 6.38  | 3.30              | 0.11                   | 6.10   | 6.07               | 0.36                    | -0.25        |
| Cayman Islands       | 0.00  | 0.00              | 0.00                   | 0.24   | -30.51             | -0.08                   | 0.08         |
| Chile                | 0.00  | 0.00              | 0.00                   | 1.11   | -1.99              | -0.02                   | 0.01         |
| China                | 23.46   | -10.59            | -2.51                  | 26.71  | -6.90              | -1.89                   | -0.68        |
| Colombia             | 0.00  | 0.00              | 0.00                   | 0.47   | -2.46              | -0.01                   | 0.01         |
| Czech Republic       | 0.00  | 0.00              | 0.00                   | 0.19   | 3.99               | 0.01                    | -0.01        |
| Egypt                | 0.51  | -2.53             | -0.02                  | 0.13   | -6.81              | -0.01                   | 0.00         |
| France               | 1.47  | 1.25              | 0.02                   | 0.00   | 0.00               | 0.00                    | 0.03         |
| Germany              | 0.23  | -23.91            | -0.09                  | 0.00   | 0.00               | 0.00                    | -0.08        |
| Greece               | 0.00  | 0.00              | 0.00                   | 0.30   | -17.59             | -0.06                   | 0.05         |
| Hong Kong            | 5.10  | -7.63             | -0.36                  | 3.94   | -9.66              | -0.41                   | -0.01        |
| Hungary              | 0.90  | -0.13             | 0.01                   | 0.28   | 4.65               | 0.01                    | 0.02         |
| India                | 12.71   | -7.62             | -0.99                  | 9.04   | -2.25              | -0.24                   | -0.69        |
| Indonesia            | 2.30  | 3.89              | 0.08                   | 1.95   | 1.95               | 0.04                    | 0.04         |
| Israel               | 0.16  | 3.36              | 0.02                   | 0.00   | 0.00               | 0.00                    | 0.02         |
| Jey                  | 0.00  | 0.00              | 0.00                   | 0.03   | -6.04              | 0.00                    | 0.00         |
| Luxembourg           | 0.00  | 0.00              | 0.00                   | 0.07   | 0.27               | 0.00                    | 0.00         |
| Macau                | 0.92  | -16.39            | -0.17                  | 0.00   | 0.00               | 0.00                    | -0.16        |
| Malaysia             | 0.22  | 3.96              | 0.00                   | 2.43   | 3.81               | 0.08                    | -0.10        |
| Mexico               | 2.96  | 15.39             | 0.41                   | 3.13   | 6.90               | 0.22                    | 0.19         |
| Netherlands          | 2.66  | -13.07            | -0.35                  | 0.06   | -17.87             | -0.01                   | -0.33        |
| Pakistan             | 0.00  | 0.00              | 0.00                   | 0.07   | -4.89              | 0.00                    | 0.00         |
| Peru                 | 1.00  | -2.71             | -0.03                  | 0.34   | -1.00              | 0.00                    | -0.02        |
| Philippines          | 0.99  | -5.40             | -0.10                  | 1.00   | 0.96               | 0.00                    | -0.08        |
| Poland               | 0.00  | 0.00              | 0.00                   | 1.18   | 11.07              | 0.12                    | -0.13        |
| Qatar                | 0.00  | 0.00              | 0.00                   | 0.90   | 12.83              | 0.10                    | -0.11        |
| Romania              | 0.00  | 0.00              | 0.00                   | 0.07   | 5.09               | 0.00                    | 0.00         |
| Russia               | 5.46  | 4.86              | 0.23                   | 3.37   | 6.74               | 0.25                    | 0.00         |
| Saudi Arabia         | 1.35  | 2.04              | 0.02                   | 0.00   | 0.00               | 0.00                    | 0.04         |
| Singapore            | 0.45  | -13.34            | -0.05                  | 0.03   | 26.91              | 0.01                    | -0.06        |
| South Africa         | 2.41  | -12.94            | -0.28                  | 6.30   | -7.63              | -0.47                   | 0.10         |
| South Korea          | 7.15  | -2.52             | -0.08                  | 14.43  | 0.69               | 0.10                    | -0.30        |
| Switzerland          | 0.11  | -29.78            | -0.03                  | 0.00   | 0.00               | 0.00                    | -0.04        |
| Taiwan               | 6.48  | 4.49              | 0.22                   | 11.96  | 6.64               | 0.72                    | -0.54        |
| Thailand             | 2.86  | 5.68              | 0.17                   | 2.35   | 13.64              | 0.30                    | -0.15        |
| Turkey               | 0.18  | -9.74             | -0.03                  | 0.61   | -20.54             | -0.14                   | 0.09         |
| United Arab Emirates | 0.60  | -10.37            | -0.05                  | 0.67   | 3.11               | 0.02                    | -0.07        |
| United Kingdom       | 0.57  | -5.59             | -0.03                  | 0.00   | 0.00               | 0.00                    | -0.03        |
| United States        | 3.03  | 10.67             | 0.31                   | 0.53   | -11.85             | -0.07                   | 0.43         |
| Cash                 | 6.68  | -1.14             | -0.08                  | 0.00   | 0.00               | 0.00                    | 0.13         |
| Unassigned*          | 0.00  | -0.35             | -0.35                  | 0.00   | 0.00               | 0.00                    | -0.35        |

Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. <sup>1</sup>A definition of this index can be found on page 3. <sup>2</sup>Total Effect - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

\*Unassigned refers to securities not recognized by Factset.

| PORTFOLIO CHARACTERISTICS               |          |           | COUNTRY WEIGHTS (%)  |       |           |
|---|----------|-----------|----------------------|-------|-----------|
|   | DREGX    | Benchmark |                      | DREGX | Benchmark |
| Number of Holdings                      | 100      | 1,151     | Argentina            | 0.4   | 0.0       |
| Weighted Avg. Market Cap (M)            | \$98,058 | \$87,269  | Brazil               | 7.7   | 6.2       |
| Median Market Cap (M)                   | \$16,459 | \$6,020   | China                | 22.9  | 26.5      |
| Est. 3-5 Year EPS Growth                | 15.2%    | 15.1%     | Egypt                | 0.5   | 0.1       |
| Active Share (3-year avg.) <sup>1</sup> | 77.92    | n/a       | Hong Kong            | 5.6   | 3.8       |
| <b>Market Cap Breakout</b>              |          |           | Hungary              | 0.3   | 0.3       |
| < \$5 billion                           | 9.0%     | 11.6%     | India                | 11.4  | 8.5       |
| \$5 - \$15 billion                      | 17.9%    | 26.7%     | Indonesia            | 2.6   | 2.0       |
| > \$15 billion                          | 73.0%    | 61.7%     | Malaysia             | 0.2   | 2.4       |
| <b>3-year period</b>                    |          |           | Mexico               | 3.1   | 3.2       |
| Annualized Alpha                        | 0.89     | n/a       | Peru                 | 1.0   | 0.3       |
| Sharpe Ratio                            | 0.82     | 0.81      | Philippines          | 1.2   | 1.0       |
| Information Ratio                       | -0.30    | n/a       | Russia               | 5.1   | 3.6       |
| Beta                                    | 0.80     | 1.00      | Saudi Arabia         | 1.4   | 0.0       |
| Standard Deviation                      | 12.17    | 14.29     | South Africa         | 2.2   | 6.0       |
| Tracking Error                          | 5.00     | 0.00      | South Korea          | 8.2   | 14.9      |
| R-squared                               | 0.89     | 1.00      | Taiwan               | 7.1   | 12.3      |
|   |          |           | Thailand             | 3.9   | 2.5       |
|   |          |           | Turkey               | 0.4   | 0.6       |
|   |          |           | United Arab Emirates | 0.4   | 0.7       |
|   |          |           | Other <sup>2</sup>   | 9.4   | 0.9       |
|   |          |           | Cash                 | 5.0   | 0.0       |

| SECTOR WEIGHTS (%)     |       |           |
|------------------------|-------|-----------|
|                        | DREGX | Benchmark |
| Comm. Services         | 9.6   | 14.1      |
| Consumer Discretionary | 12.6  | 10.6      |
| Consumer Staples       | 6.7   | 6.6       |
| Energy                 | 9.0   | 8.2       |
| Financials             | 28.3  | 23.2      |
| Health Care            | 3.6   | 3.0       |
| Industrials            | 2.8   | 5.4       |
| Information Technology | 13.6  | 15.8      |
| Materials              | 6.2   | 7.9       |
| Real Estate            | 1.2   | 2.8       |
| Utilities              | 1.6   | 2.4       |
| Cash                   | 5.0   | 0.0       |

**TOP 5 HOLDINGS<sup>4</sup> (as of 8/31/18)**

| Company  | % of Fund |
|--|-----------|
| Tencent Holdings Ltd.                                      | 5.0       |
| Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | 4.2       |
| Samsung Electronics Co., Ltd.                              | 4.1       |
| Alibaba Group Holding Ltd. Sponsored ADR                   | 3.7       |
| HDFC Bank Limited Sponsored ADR                            | 3.3       |

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

Driehaus Securities LLC, Distributor

Data as of 9/30/18. Benchmark: MSCI Emerging Markets Index (ND)

<sup>1</sup>Data is calculated monthly. <sup>2</sup>Represents companies domiciled in developed countries that have significant emerging markets exposures. <sup>3</sup>Net of fee returns. MSCI Emerging Markets Index. Returns are calculated from monthly returns and shown for every quarter interval since the inception of the index (January 1999). The inception of the fund predates the inception of the index. Data as of September 30, 2018.<sup>4</sup>Holdings subject to change.

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](http://www.driehaus.com). Please read the prospectus carefully before investing.**

**TERMS:** **Active share** represents the share of portfolio holdings that differ from the benchmark index holdings. Average drawdown is the arithmetic average of declines in value during a given period of time. Downside risk is a measure of the average deviations of a negative return series. A large downside risk implies that there have been large swings or volatility in the manager's return series. **Beta** is a measure of a portfolio's volatility. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. **Standard deviation** is a measure of the average deviations of a return series from its mean; often used as a measure of portfolio volatility. A large standard deviation implies that there have been large swings or volatility in the manager's return series. **Tracking error** measures the amount of active risk that is being taken by a manager. Tracking error accounts for the deviation away from the benchmark and does not indicate in which direction it occurred, either positive or negative. Source: eVestment Alliance. **Alpha** is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Sharpe ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Information Ratio (IR)** measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **R-squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. For fixed-income securities, the benchmark is the T-bill. For equities, the benchmark is the S&P 500.