

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: \$794 million

DIEMX: \$656 million

FIRM ASSETS UNDER MANAGEMENT

\$6.5 billion

INVESTMENT UNIVERSE

Emerging markets all cap equity

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Howard Schwab
Lead Portfolio Manager
18 years of experience



Chad Cleaver, CFA
Portfolio Manager
17 years experience



Richard Thies
Portfolio Manager
12 years of investment experience



MARKET OVERVIEW

Global markets suffered rising volatility that triggered a sharp sell-off in the final quarter of 2018. Risk sentiment was dampened by several issues including: a slowdown in global growth, high corporate leverage in the US, the US Federal Reserve continuing to tighten and the trade war with China. The US government shutdown was an unwelcome, but fitting, finale to close out the year.

While the fourth quarter of the year was negative across the board for global equities, the one silver lining for emerging markets investors was a rebound in performance relative to developed markets. The increasing evidence that the US economy was slowing on an incremental basis was positive for the asset class, as it relieved some building pressure on emerging currencies and local interest rates as the market began to price in a pause to the US tightening cycle. After a pronounced relative derating in the first three quarters of the year, emerging equities regained some momentum heading into 2019.

Price Return		
	2018	4Q18
S&P 500	-6.2%	-14.0%
MSCI ACWI Index	-11.2%	-13.1%
MSCI EM Index	-16.6%	-7.8%

Source: Driehaus, Bloomberg

Brazil was the best performing market globally in the fourth quarter, up 15.0% in dollar terms¹. The election of Jair Bolsonaro spurred hopes that the far-right former army officer would be able to implement much-needed reforms. Brazilians are eager for change after two decades of leftist governments marked by a severe recession, a massive corruption scandal, and a rise in violent crime. The new government's effectiveness at implementing social security reform will be key in early-2019.

Mexico was the worst performing market, down 20.4% in dollar terms². The country's new president, Andres Manuel Lopez Obrador (AMLO), was widely expected to win the election in July and did. The market was generally stable until AMLO held a popular referendum on whether an airport project should be cancelled, despite already having secured financing and construction underway. AMLO argued that the airport was too expensive, would have a negative environmental impact, and that the contracts were not allocated fairly. Despite only 1% participation in the referendum, AMLO used the results to cancel the project. This led financial markets to question what other populist policies AMLO might pursue. These actions drove fund outflows throughout the quarter and raised Mexico's risk premium to levels much higher than Mexico's fundamentals warrant.

¹Brazil: IBOV (Ibovspa Brasil Sao Paulo Stock Exchange Index)

²Mexico: MEXBOL (Mexican Bolsa Stock Exchange)

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Most sectors were down in the quarter, with health care (-16.2%) and information technology (-15.4%) the two worst. Weak performance in China was the key drag for the healthcare sector. Chinese pharmaceutical stocks declined sharply as a result of the government's push to drive down generic drug prices via a centralized procurement system. Information technology stocks were under pressure due to a combination of an inventory correction in semiconductors, weak smartphone demand, and concerns over the impact of the trade war.

PERFORMANCE REVIEW

The Driehaus Emerging Markets Growth Fund performed in-line with the MSCI EM Index during the quarter, both down 7.5% in dollar terms.¹

India was the fund's largest country contributor. The fund benefited from its position in two Indian banks that recovered sharply after the liquidity concerns that affected the sector earlier in the year waned somewhat in the fourth quarter. The fund's investments in this area all have dominant deposit franchises, were not affected by the liquidity events and have not seen rising credit risk from these events which impacted some of the lower quality companies in the industry.

China was the biggest drag on the fund's performance from a country perspective. The biggest detractor was an internet stock that reported quarterly results that

disappointed the market – the weakness in the economy weighed on user spending and a new investment failed to impress. An energy stock also weighed on performance, negatively impacted by the steep decline in oil prices over the quarter.

Healthcare was the best sector for the fund in the quarter. The fund benefitted from its position in an Indian hospital, which reported positive quarterly results driven by steady growth and margin improvement.

Communications services was the worst performing sector for the fund. The above Chinese internet stock was the biggest drag. The fund was also negatively impacted by its position in a Russian internet stock that sold off after rumors that the founder was going to sell his stake and that the government was trying to exert more control over the company. These have not come to pass and the company delivered strong quarterly results, but the ownership issues have continued to weigh on the stock.

OUTLOOK AND POSITIONING

Despite all the challenges seen in 2018, there are some reasons to be optimistic going into the new year. The relative case for EM versus developed economies looks increasingly attractive. As growth in the developed world slows, the growth differential with EM should widen. This comes at a time when the EM asset class is historically cheap. Additionally, the recent fall in oil prices should alleviate fiscal

pressures and inflation in many domestic economies. EM also stands to benefit from US dollar depreciation if the Fed slows down its rate hikes and/or the market becomes more focused on the high government and corporate debt in the US.

China is the most critical variable for emerging markets in 2019. While it is hard to make any specific predictions, we believe both the US and China have strong incentives to come to an agreement on trade, even though we expect disagreements and challenges over policy to continue. Domestically, China was determined to deleverage its economy in 2018. They also implemented regulations to protect citizens that weighed on growth in several key industries. Recently it appears that the pendulum is starting to swing back in the other direction as the government has reiterated its support for the private sector, announced new stimulus measures, and eased up on some regulations.

Overall, we expect volatility to continue but do not think the environment is wholly negative. Lower stock prices and the recent extreme negative risk sentiment observed indicate good potential for strong future returns in EM, particularly on a relative basis to developed markets. Finally, given the widely different risk exposures, policy, and macroenvironments across emerging countries we expect dispersion to be high, which should provide good opportunities for our investment process.

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

PERFORMANCE (%) as of 12/31/18	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 12/31/97
Investor Class: DREGX	-7.44	-16.26	-16.26	8.11	1.24	9.48	10.70
Institutional Class: DIEMX⁺	-7.41	-16.08	-16.08	8.21	1.29	9.51	10.72
MSCI Emerging Markets Index ¹ (ND) (Benchmark)	-7.47	-14.58	-14.58	9.25	1.65	8.02	*
MSCI Emerging Markets Growth Index ² (ND)	-8.22	-18.26	-18.26	8.89	2.67	8.97	*

⁺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 EXPENSES³

	Gross Expense	Net Expense
Investor Class: DREGX	1.43%	1.43%
Institutional Class: DIEMX	1.21%	1.21%

SECTOR PERFORMANCE ATTRIBUTION 4th Quarter — 9/30/18 to 12/31/18

	Driehaus Emerging Markets Growth Fund (DREGX) (Port) (%)			MSCI Emerging Markets Index (ND) ¹ (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 ⁴
GICS Sector									
Communication Services	8.31	-13.03	-1.02	13.86	-6.85	-0.92	-0.07	-0.56	-0.55
Consumer Discretionary	13.23	-9.31	-1.12	10.35	-11.92	-1.25	-0.10	0.39	0.26
Consumer Staples	7.03	-4.21	-0.25	6.59	-4.59	-0.30	0.01	0.06	0.04
Energy	8.73	-13.44	-1.23	8.32	-10.60	-0.94	0.00	-0.40	-0.27
Financials	27.60	-1.60	-0.46	24.45	-0.88	-0.16	0.23	-0.17	0.07
Health Care	3.81	-6.04	-0.21	2.92	-16.17	-0.52	-0.07	0.37	0.35
Industrials	2.39	-1.65	-0.07	5.50	-3.86	-0.22	-0.11	0.05	-0.06
Information Technology	11.74	-17.68	-2.20	14.80	-15.36	-2.45	0.29	-0.36	-0.02
Materials	5.74	-11.92	-0.73	7.72	-10.75	-0.88	0.04	-0.57	-0.02
Other	0.00	-0.30	-0.30	0.00	0.00	0.00	-0.30	0.00	-0.30
Real Estate	1.02	-4.16	-0.02	2.90	1.42	0.06	-0.19	-0.01	-0.20
Utilities	1.34	16.36	0.20	2.59	3.62	0.10	-0.13	0.12	0.02
Cash	9.05	-0.37	-0.03	0.00	0.00	0.00	0.73	0.00	0.72
Unassigned**	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00
Total	100.00	-7.45	-7.45	100.00	-7.48	-7.48	0.33	-1.11	0.03

Data as of 12/31/18

*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 for more current performance information. ¹The 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. ²The 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. ³Represents 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. ⁴**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 4th Quarter — 9/30/18 to 12/31/18

MSCI Country	Driehaus Emerging Markets Growth Fund (DREGX) (Port) (%)			MSCI Emerging Markets Index (ND) ¹ (Bench) (%)			Total Effect ⁴
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg. Weight	Bench Total Return	Bench Contrib To Return	
Argentina	0.72	-23.71	-0.23	0.00	0.00	0.00	-0.18
Australia	0.00	0.00	0.00	0.02	-16.84	0.00	0.00
Brazil	8.12	12.83	0.92	7.48	13.42	0.84	0.20
Cayman Islands	0.36	-6.37	-0.06	0.21	0.44	0.01	-0.07
Chile	0.00	0.00	0.00	1.12	-8.70	-0.10	0.02
China	22.24	-15.90	-3.50	26.04	-11.05	-2.95	-0.90
Colombia	0.00	0.00	0.00	0.44	-18.95	-0.10	0.06
Czech Republic	0.00	0.00	0.00	0.19	-8.73	-0.02	0.00
Egypt	0.52	-10.94	-0.06	0.13	-9.43	-0.01	-0.02
France	0.48	-20.70	-0.09	0.00	0.00	0.00	-0.05
Greece	0.00	0.00	0.00	0.26	-15.97	-0.05	0.03
Hong Kong	4.28	-8.02	-0.35	3.85	-9.60	-0.37	0.09
Hungary	0.34	8.72	0.03	0.32	5.86	0.02	0.01
India	12.42	4.54	0.79	8.81	2.53	0.31	0.67
Indonesia	3.45	8.03	0.31	2.13	9.70	0.21	0.14
Israel	0.51	-6.47	-0.04	0.00	0.00	0.00	0.00
Jey	0.00	0.00	0.00	0.04	26.48	0.01	-0.01
Luxembourg	0.00	0.00	0.00	0.06	-18.39	-0.01	0.01
Macau	0.68	-7.90	-0.04	0.00	0.00	0.00	0.02
Malaysia	0.06	-1.98	0.00	2.43	-5.81	-0.15	-0.02
Mexico	2.26	-21.99	-0.67	2.87	-18.78	-0.64	-0.06
Netherlands	2.35	-14.28	-0.34	0.06	11.30	0.01	-0.17
Pakistan	0.00	0.00	0.00	0.05	-22.37	-0.01	0.01
Peru	0.89	-0.80	0.00	0.36	2.36	0.01	0.03
Philippines	1.21	6.59	0.08	1.04	5.33	0.06	0.03
Poland	0.21	-2.48	-0.01	1.22	-2.76	-0.04	-0.07
Qatar	0.00	0.00	0.00	1.07	8.42	0.08	-0.15
Romania	0.00	0.00	0.00	0.06	-13.52	-0.01	0.00
Russia	4.61	-11.34	-0.52	3.70	-9.67	-0.37	-0.06
Saudi Arabia	0.40	-6.07	-0.04	0.00	0.00	0.00	0.05
Singapore	0.11	-24.58	-0.03	0.03	-4.58	0.00	-0.02
South Africa	3.07	0.40	0.06	6.01	-3.55	-0.16	-0.06
South Korea	7.68	-17.42	-1.39	14.12	-13.13	-2.03	0.07
Taiwan	6.00	-15.43	-1.02	11.53	-13.69	-1.70	0.24
Thailand	3.48	-8.01	-0.32	2.47	-10.23	-0.27	0.05
Turkey	0.68	21.28	0.14	0.65	4.76	0.04	0.10
United Arab Emirates	0.40	-21.22	-0.07	0.72	-5.50	-0.04	-0.06
United Kingdom	0.87	-24.08	-0.24	0.01	6.49	0.00	-0.17
United States	2.57	-12.95	-0.43	0.51	-9.26	-0.04	-0.18
Cash	9.05	-0.37	-0.03	0.00	0.00	0.00	0.72
Unassigned*	0.00	-0.30	-0.30	0.00	0.00	0.00	-0.30

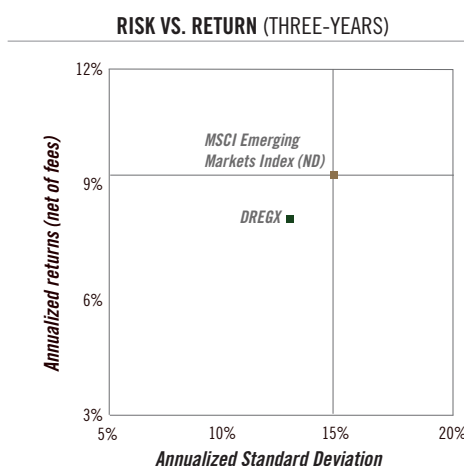
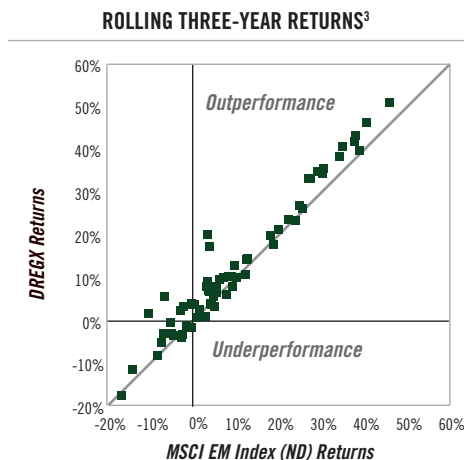
Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. 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. ¹A definition of this index can be found on page 3. ²Total 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		
	DREGX	Benchmark
Number of Holdings	93	1,125
Weighted Avg. Market Cap (M)	\$92,668	\$78,238
Median Market Cap (M)	\$14,839	\$5,696
Est. 3-5 Year EPS Growth	16.6%	14.7%
Active Share (3-year avg.) ¹	77.59	n/a
Market Cap Breakout		
< \$5 billion	11.9%	14.3%
\$5 - \$15 billion	19.8%	26.6%
> \$15 billion	68.3%	59.1%
3-year period		
Annualized Alpha	0.54	n/a
Sharpe Ratio	0.56	0.56
Information Ratio	-0.21	n/a
Beta	0.82	1.00
Standard Deviation	12.87	14.81
Tracking Error	4.88	0.00
R-squared	0.90	1.00

SECTOR WEIGHTS (%)		
	DREGX	Benchmark
Comm. Services	8.1	14.1
Consumer Discretionary	13.1	10.4
Consumer Staples	8.5	6.7
Energy	8.5	8.0
Financials	28.5	24.8
Health Care	3.8	2.8
Industrials	2.4	5.5
Information Technology	12.0	14.2
Materials	4.7	7.7
Real Estate	1.5	3.0
Utilities	1.1	2.7
Cash	7.7	0.0

COUNTRY WEIGHTS (%)		
	DREGX	Benchmark
Argentina	1.1	0.0
Brazil	8.7	7.5
China	21.1	25.9
Egypt	0.5	0.1
Hong Kong	3.7	3.8
Hungary	0.4	0.3
India	13.7	9.4
Indonesia	4.3	2.3
Mexico	2.1	2.8
Peru	0.8	0.4
Philippines	1.6	1.1
Poland	0.5	1.3
Russia	4.6	3.6
Saudi Arabia	0.3	0.0
South Africa	3.9	6.1
South Korea	8.1	13.8
Taiwan	5.5	11.4
Thailand	3.4	2.4
Turkey	0.8	0.6
United Arab Emirates	0.3	0.8
Other ²	7.1	0.9
Cash	7.7	0.0



TOP 5 HOLDINGS⁴ (as of 11/30/18)

Company	% of Fund
Alibaba Group Holding Ltd. Sponsored ADR	4.6
Tencent Holdings Ltd.	4.3
Samsung Electronics Co., Ltd.	3.8
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.5
Ping An Insurance (Group) Company of China, Ltd. Class H	3.3

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

Driehaus Securities LLC, Distributor

Data as of 12/31/18. Benchmark: MSCI Emerging Markets Index (ND)

¹Data is calculated monthly. ²Represents companies domiciled in developed countries that have significant emerging markets exposures. ³Net 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. ⁴Holdings 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. 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 of the amount of active risk that is being taken by a manager. Tracking error accounts for the deviation away from the benchmark and does not indicate in which direction it occurred, either positive or negative. 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.