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**Annual Report to Shareholders
December 31, 2016**



DRIEHAUS MUTUAL FUNDS

Driehaus Active Income Fund

Driehaus Select Credit Fund

Driehaus Event Driven Fund

Distributed by:

Driehaus Securities LLC

This report has been prepared for the shareholders of the Funds and is not an offer to sell or buy any Fund securities. Such offer is only made by the Funds' prospectus.

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Driehaus Active Income Fund — Portfolio Managers' Letter

Dear Shareholders,

The Driehaus Active Income Fund (“Fund”) returned 5.63% for the year ended December 31, 2016. This return outperformed the Fund’s benchmark, the Citigroup 3-Month T-Bill Index, which returned 0.27% for the same period. The Fund also outperformed the Bloomberg Barclays US Aggregate Bond Index, which returned 2.65% for the year.

2016 opened with widening spreads across the credit universe. Investment grade and high yield credits reached their widest spreads for the year in February, which then compressed a respective 93 and 476 basis points through year-end, generating returns of 5.96% and 17.49%. Leveraged loans also provided solid returns of 9.78%, the asset class’ strongest return since it rose 15.4% in 2012. Similarly, domestic equity markets rallied with the S&P 500 Index returning 11.96%. In general, a steady improvement in the commodity backdrop that started in February, a better outlook for global growth, and the possibility of fiscal stimulus helped drive performance in nearly all markets. As a result, default activity trended down throughout the year. More than half of 2016’s defaults were in the first half of the year, and commodity sectors accounted for more than 80% of the activity. At the end of 2016, the high yield default rate was 3.98% (0.68% excluding commodities).

The directional long trading strategy was the most significant contributor for the year. The positions with the largest impact were concentrated in the aerospace and defense, technology, energy, pharmacy, gym, software, cable and gaming industries. The event driven strategy was the second most significant contributor. Event trades focus on catalyst-driven corporate events, such as mergers and acquisitions or company announcements. Depending on the anticipated timing and nature of the event, these trades can be structured using a single security type or a combination of bonds, options, bank loans, swaps and equities. Eight positions in the gaming, entertainment technology, cable, cinema, media and education industries added the most value, driven by announced acquisitions closing or equity prices rallying. These gains were partially offset by losses in four positions in the health insurance, pharmacy and insurance brokerage industries.

The capital structure arbitrage and convertible arbitrage strategies also generated positive returns. Capital structure arbitrage trades are created with a long and short side to the trade, which will typically move inversely to each other, allowing us to hedge risk and dampen volatility. While one side of the trade will often detract from the trade, the overall trade is designed for the contributor to be larger than the detractor. Convertible arbitrage trades attempt to profit from changes in a company’s equity volatility by purchasing a convertible bond and simultaneously shorting the same company’s common stock. The position with the largest contribution in the capital structure arbitrage strategy was a long-leaning position in the energy sector that rallied due to the recovery of commodity prices. A short-leaning trade in a satellite operator also contributed to performance, as did several long-leaning positions in financial preferred stocks. In the convertible arbitrage strategy, two positions in a cement building products company and a communications equipment company outperformed as they posted strong earnings throughout the year and participated in the equity market rally.

On the negative side, the directional short and pairs trading strategies detracted from performance. Short positions in several energy companies underperformed as commodity prices stabilized and rallied throughout the year. These losses were partially offset by a profitable short in a European sovereign. The loss in the pairs trading strategy was driven by a position in a Brazilian energy company, where the short leg of the trade underperformed the long leg of the trade.

The hedging strategies had mixed performance. The volatility trades detracted from returns as various downside protection trades that were focused on the S&P 500 or other equity indices lost value as equities rallied throughout the year. Volatility trades are generally constructed by implementing various option strategies, through forwards, or through the use of credit default swaps on indices. Although the volatility trades detracted from performance on a net basis, there were three months (January, June and October) where the trades contributed to performance. The interest rate hedge, which is constructed with US Treasury futures and US Treasury swaptions, had a positive effect on returns. The majority of this contribution came in the second half of the year as interest rates started to increase in anticipation of a Federal Reserve hike in December, improving domestic macro data, and a change in policy suggesting significant fiscal stimulus in 2017.

Looking ahead, we are excited about the investment opportunities we see in the capital markets despite tight spreads and muted volatility. We are finding a number of mid-single digit expected rate of return trades as many companies are retiring old bonds and replacing them with lower coupons. That's not ideal if you are a long-term holder of that company's bonds, but it enables us to identify securities that are likely to be called in a relatively short time period and lock in a respectable yield until that projected call date. On the downside, you can't expect much in the way of price appreciation as the security typically hovers right around call price. On the upside, the security typically doesn't drop much in a selloff because investors know that the company is likely to call the bond.

We also have been active in the loan market. There are plenty of companies with approximately 5% yielding paper and low to moderate credit risk. Here again, the opportunity for capital appreciation is limited, but so is the security's expected price volatility. Additionally, the LIBOR rate has been rising, which means the coupons on these securities have been rising. Consequently, investors have little interest rate exposure from these loans.


Last, risk-arbitrage trades should remain a steady source of investment opportunities. Corporate activity has only showed signs of speeding up, not slowing down. At the same time, there has been little capital allocated to funds that typically employ risk arbitrage. Steady supply with low demand tends to provide attractive investment opportunities.

As always, we at Driehaus Capital Management thank you for your interest in the Driehaus Active Income Fund and would like to express our gratitude to you as shareholders for your continued confidence in our management capabilities.

Sincerely,



K.C. Nelson
Portfolio Manager



Elizabeth Cassidy
Portfolio Manager

Performance is historical and does not represent future results.

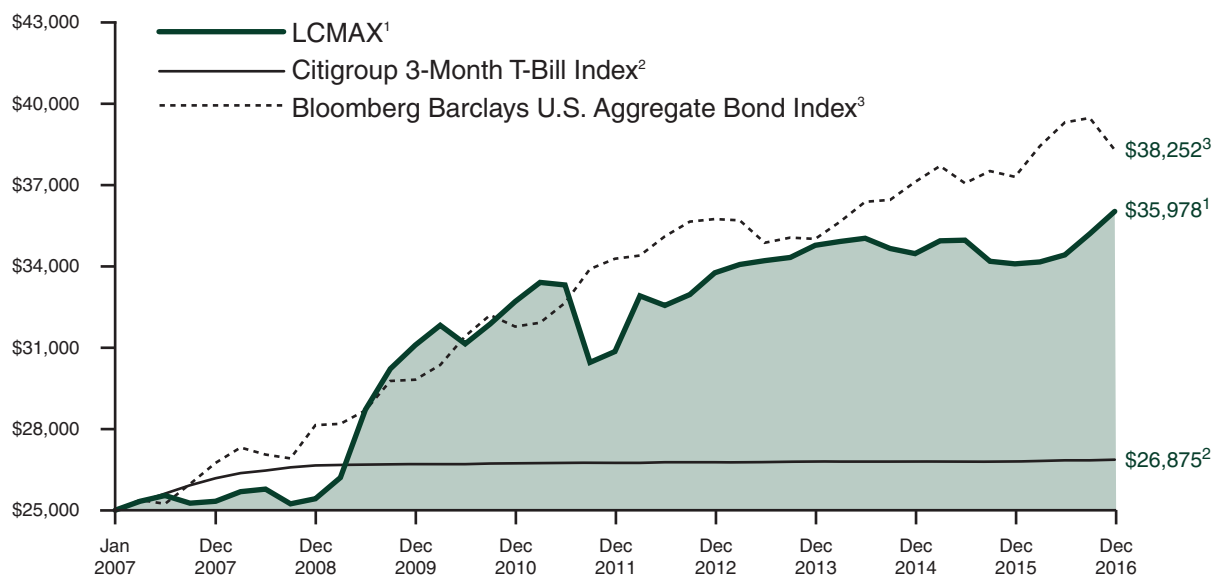
Please see the following performance page for index definitions.

Driehaus Active Income Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains. Average annual total return reflects annualized change.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$25,000 investment (minimum investment) in the Fund over the last 10 fiscal year periods (which includes performance of the Predecessor Fund), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/16	1 Year	3 Years	5 Years	10 Years
Driehaus Active Income Fund (LCMAX) ¹	5.63%	1.18%	3.13%	3.71%
Citigroup 3-Month T-Bill Index ²	0.27%	0.11%	0.09%	0.73%
Bloomberg Barclays U.S. Aggregate Bond Index ³	2.65%	3.03%	2.23%	4.28%



¹ The Driehaus Active Income Fund (the "Fund") performance shown above includes the performance of the Lotsoff Capital Management Active Income Fund (the "Predecessor Fund") for the periods before the Fund's registration statement became effective. The Fund received the assets and liabilities of the Predecessor Fund on June 1, 2009 through a reorganization of the Predecessor Fund into the Fund. The Predecessor Fund was a nondiversified fund that was a series of another management investment company registered under the Investment Company Act of 1940, as amended. The Fund had no prior operating history prior to succeeding to the assets of the Predecessor Fund. The Fund has substantially similar investment objectives, strategies, and policies as the Predecessor Fund. Financial and performance information of the Fund includes the Predecessor Fund information.

² 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 reflect reinvestment of all distributions and changes in market prices.

³ The Bloomberg Barclays 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
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
ASSET-BACKED SECURITIES — 0.01%			VGD Merger Sub LLC		
CWABS, Inc.			5.00%, 8/3/23 ^{2,7}	\$10,000,000	\$ 10,145,000
Asset-Backed Certificates					16,225,944
Series 2004-1			Leisure Time — 3.50%		
1.24%, 4/25/34 ^{2,9}	\$ 122,988	\$ 113,757	Equinox Holdings, Inc.		
Merrill Lynch Mortgage			5.00%, 2/1/20 ^{2,7}	55,824,467	56,487,383
Investors Trust			Equinox Holdings, Inc.		
Series 2004-HE2			9.75%, 7/31/20 ^{2,7}	22,998,824	23,180,974
1.70%, 8/25/35 ^{2,9}	124,929	110,787			79,668,357
Total ASSET-BACKED SECURITIES		224,544	Retail — 3.47%		
(Cost \$248,020)			Neiman Marcus Group Ltd. LLC		
BANK LOANS — 23.33%			4.25%, 10/25/20 ^{2,7}	62,735,312	54,720,875
Chemicals — 0.62%			Rite Aid Corp.		
Avantor Performance			5.75%, 8/21/20 ^{2,7}	7,830,000	7,900,118
Materials Holdings, Inc.			Rite Aid Corp.		
6.00%, 6/21/22 ^{2,7}	13,902,283	14,180,329	4.88%, 6/21/21 ^{2,7}	16,200,000	16,308,864
Computers — 0.42%					78,929,857
DynCorp International, Inc.			Software — 1.27%		
7.75%, 7/7/20 ^{2,7,9}	10,000,000	9,612,500	Applied Systems, Inc.		
Entertainment — 2.78%			7.50%, 1/23/22 ^{2,7}	2,500,000	2,531,875
Scientific Games			BMC Foreign Holding Co. (Ireland)		
International, Inc.			5.00%, 9/10/20 ^{2,7}	7,760,000	7,743,820
6.00%, 10/18/20 ^{2,7}	62,242,381	63,143,650	BMC Software Finance, Inc.		
Food — 0.85%			5.00%, 9/10/20 ^{2,7}	991,018	991,949
Chobani LLC			Evergreen Skills Lux Sarl (Luxembourg)		
5.25%, 10/7/23 ^{2,7}	19,000,000	19,308,750	5.75%, 4/28/21 ^{2,7}	19,252,284	17,645,970
Insurance — 3.49%					28,913,614
Asurion LLC			Telecommunications — 0.95%		
8.50%, 3/3/21 ^{2,7}	53,119,370	54,098,892	FairPoint Communications, Inc.		
Asurion LLC			7.50%, 2/14/19 ^{2,7}	14,313,597	14,494,808
5.00%, 8/4/22 ^{2,7}	21,748,731	22,066,806	GTT Communications, Inc.		
Lonestar Intermediate Super Holdings LLC			5.00%, 1/9/24 ^{2,7}	7,000,000	7,119,595
10.00%, 8/10/21 ^{2,7}	3,000,000	3,097,500			21,614,403
		79,263,198	Total BANK LOANS		
Internet — 5.27%			(Cost \$537,813,070) . . .		
EIG Investors Corp.			530,628,855		
6.00%, 2/9/23 ^{2,7}	29,696,970	29,511,364	CORPORATE BONDS — 31.31%		
ProQuest LLC			Auto Manufacturers — 0.44%		
5.75%, 9/24/21 ^{2,7}	26,459,098	26,707,152	General Motors Co.		
Uber Technologies, Inc.			6.25%, 10/2/43 ¹⁰	9,000,000	9,949,311
5.00%, 7/7/23 ^{2,7}	17,930,000	17,997,237	Banks — 4.74%		
Vivid Seats LLC			JPMorgan Chase & Co.		
6.75%, 10/12/22 ^{2,7}	35,000,000	35,000,000	7.90%, 12/29/49 ^{2,10}	37,813,000	39,155,361
Vivid Seats LLC			PNC Capital Trust C		
10.75%, 10/12/23 ^{2,7}	10,500,000	10,552,500	1.50%, 6/1/28 ^{2,10}	10,500,000	9,660,000
		119,768,253			
Investment Companies — 0.71%					
Larchmont Resources LLC					
10.00%, 8/7/20 ^{2,7,9}	6,212,970	6,080,944			

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
PNC Preferred Funding Trust II 2.19%, 3/29/49 ^{1,2,10}	\$32,450,000	\$ 31,314,250	Media — 3.76%		
Royal Bank of Scotland Group PLC (United Kingdom) 7.64%, 3/29/49 ^{2,3}	19,450,000	18,039,875	Altice U.S. Finance I Corp. 5.50%, 5/15/26 ¹	\$ 7,000,000	\$ 7,140,000
State Street Corp. 1.96%, 6/15/37 ^{2,10}	10,920,000	9,650,550	Neptune Finco Corp. 10.13%, 1/15/23 ^{1,10}	18,900,000	21,829,500
		<u>107,820,036</u>	Neptune Finco Corp. 10.88%, 10/15/25 ^{1,10}	9,000,000	10,710,000
Biotechnology — 0.12%			Sinclair Television Group, Inc. 5.63%, 8/1/24 ^{1,10}	15,810,000	16,165,725
Concordia International Corp. (Canada) 9.00%, 4/1/22 ^{1,3}	3,325,000	2,817,938	UPCB Finance IV Ltd. (Cayman Islands) 5.38%, 1/15/25 ^{1,3}	5,000,000	5,037,500
Commercial Services — 0.39%			VTR Finance BV (Netherlands) 6.88%, 1/15/24 ^{1,3,10}	21,000,000	21,682,500
AA Bond Co., Ltd. (Jersey) 5.50%, 7/31/22 ¹	7,000,000 ⁶	8,806,076	Ziggo Secured Finance BV (Netherlands) 5.50%, 1/15/27 ^{1,3}	3,000,000	2,924,400
Computers — 1.46%					<u>85,489,625</u>
DynCorp International, Inc. 11.88%, 11/30/20 ¹⁰	20,592,777	19,151,283	Miscellaneous Manufacturing — 1.36%		
Harland Clarke Holdings Corp. 9.75%, 8/1/18 ^{1,10}	13,675,000	13,982,687	Amsted Industries, Inc. 5.00%, 3/15/22 ^{1,10}	31,000,000	31,000,000
		<u>33,133,970</u>	Oil & Gas — 2.51%		
Diversified Financial Services — 0.00%			Antero Resources Corp. 5.00%, 3/1/25 ¹	15,000,000	14,670,150
Rio Oil Finance Trust Series 2014-1 (Brazil) 9.25%, 7/6/24 ^{1,2,3}	4,418	4,153	Calumet Specialty Products Partners LP / Calumet Finance Corp. 6.50%, 4/15/21	7,536,000	6,386,760
Entertainment — 1.47%			Continental Resources, Inc. 4.90%, 6/1/44 ¹⁰	14,000,000	11,970,000
Isle of Capri Casinos, Inc. 8.88%, 6/15/20 ¹⁰	31,854,000	33,446,700	Diamondback Energy, Inc. 5.38%, 5/31/25 ¹	10,000,000	10,057,000
Healthcare — Products — 1.21%			Newfield Exploration Co. 5.63%, 7/1/24 ¹⁰	13,412,000	13,982,010
Sterigenics-Nordion Holdings LLC 6.50%, 5/15/23 ^{1,10}	26,862,000	27,332,085			<u>57,065,920</u>
Sterigenics-Nordion Topco LLC 8.13%, 11/1/21 ¹	250,000	248,750	Packaging & Containers — 0.35%		
		<u>27,580,835</u>	Ardagh Packaging Finance PLC / Ardagh Holdings USA, Inc. (Ireland) 4.63%, 5/15/23 ^{1,3}	8,000,000	7,935,040
Healthcare — Services — 2.87%			Pipelines — 1.29%		
Kindred Healthcare, Inc. 8.00%, 1/15/20 ¹⁰	15,000,000	14,925,000	Enbridge Energy Partners LP 8.05%, 10/1/77 ^{2,10}	31,500,000	29,373,750
Kindred Healthcare, Inc. 6.38%, 4/15/22 ¹⁰	27,277,000	24,344,723	Real Estate Investment Trusts — 0.37%		
LifePoint Health, Inc. 5.88%, 12/1/23 ¹⁰	25,786,000	26,108,325	Communications Sales & Leasing, Inc. / CSL Capital LLC 8.25%, 10/15/23	6,000,000	6,360,000
		<u>65,378,048</u>			
Holding Companies — Diversified — 2.45%					
HRG Group, Inc. 7.75%, 1/15/22 ¹⁰	53,408,000	55,677,840			
Insurance — 1.03%					
Chubb Corp. 6.38%, 3/29/67 ^{2,10}	25,000,000	23,500,000			

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
Communications Sales & Leasing, Inc. / CSL Capital LLC 7.13%, 12/15/24 ¹	\$ 2,000,000	\$ 2,020,000	U.S. GOVERNMENT AND AGENCY SECURITIES — 0.30%		
		<u>8,380,000</u>	United States Treasury Note 2.00%, 8/15/25 ¹⁰	\$ 7,047,000	\$ 6,826,232
Restaurants — 0.63%			Total U.S. GOVERNMENT AND AGENCY SECURITIES (Cost \$6,932,930)		<u>6,826,232</u>
Ruby Tuesday, Inc. 7.63%, 5/15/20 ¹⁰	14,963,000	14,214,850	COMMON STOCKS — 23.29%		
Retail — 3.26%			Auto Manufacturers — 0.80%		
Neiman Marcus Group Ltd. LLC 8.00%, 10/15/21 ^{1,10}	21,775,000	16,167,937	General Motors Co. ¹⁰	519,324	18,093,248
Rite Aid Corp. 6.75%, 6/15/21 ¹⁰	39,820,000	41,811,000	Commercial Services — 3.26%		
Rite Aid Corp. 6.13%, 4/1/23 ^{1,10}	15,000,000	16,125,000	Apollo Education Group, Inc. ^{*8,10}	7,484,477	74,096,322
		<u>74,103,937</u>	Electric — 1.51%		
Software — 0.97%			Westar Energy, Inc. ¹⁰	610,861	34,422,017
Nuance Communications, Inc. 5.63%, 12/15/26 ¹	22,500,000	22,123,125	Entertainment — 9.56%		
Telecommunications — 0.63%			AMC Entertainment Holdings, Inc., Class A ¹⁰	2,018,444	67,920,645
Digicel Ltd. (Jamaica) 6.75%, 3/1/23 ^{1,3,10}	13,000,000	11,721,190	Gaming and Leisure Properties, Inc. ¹⁰	2,845,164	87,118,922
Digicel Ltd. (Jamaica) 6.75%, 3/1/23 ³	3,000,000	2,704,890	Pinnacle Entertainment, Inc. ^{*8,10}	4,296,695	62,302,078
		<u>14,426,080</u>			<u>217,341,645</u>
Total CORPORATE BONDS (Cost \$715,139,628)		<u>712,227,234</u>	Insurance — 3.37%		
CONVERTIBLE CORPORATE BONDS — 3.75%			Stewart Information Services Corp. ^{8,10}	1,665,931	76,766,101
Building Materials — 1.35%			Investment Companies — 0.11%		
Cemex S.A.B. de C.V. (Mexico) 3.75%, 3/15/18 ^{3,10}	27,500,000	30,851,562	Larchmont Resources LLC ⁹	7,824	2,542,716
Electrical Components & Equipment — 0.01%			Media — 4.15%		
Suntech Power Holdings Co., Ltd. (China) 3.00%, 3/15/17 ^{3,5,9}	27,872,000	125,424	Charter Communications, Inc., Class A ^{*10}	—	104
Semiconductors — 1.21%			TiVo, Inc. ^{*10}	4,514,360	94,350,124
Microchip Technology, Inc. 1.63%, 2/15/25 ¹⁰	21,200,000	27,454,000			<u>94,350,228</u>
Telecommunications — 1.18%			Pharmaceuticals — 0.51%		
Ciena Corp. 3.75%, 10/15/18 ^{1,10}	19,931,000	26,919,307	Depomed, Inc. ^{*10}	639,167	11,517,789
Total CONVERTIBLE CORPORATE BONDS (Cost \$100,833,710)		<u>85,350,293</u>	Restaurants — 0.02%		
			Ruby Tuesday, Inc. ^{*9}	170,792	551,658
			Total COMMON STOCKS (Cost \$487,275,107)		<u>529,681,724</u>
			CONVERTIBLE PREFERRED STOCKS — 2.17%		
			Auto Manufacturers — 0.00%		
			General Motors Corp. Senior Convertible Preferred Escrow — B 5.25%, 3/6/34 ^{4,5,9}	475,000	—
			General Motors Corp. Senior Convertible Preferred Escrow — C 6.25%, 12/15/12 ^{4,5,9}	11,790,650	—

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Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
Environmental Control — 1.04%			Oil & Gas — (0.70)%		
Stericycle, Inc.			ConocoPhillips Co.		
5.25%, 9/15/18 ¹⁰	375,000	\$ 23,726,250	2.88%, 11/15/21	\$ (5,000,000)	\$ (5,049,135)
Investment Companies — 1.13%			Denbury Resources, Inc.	(3,072,000)	(2,795,520)
Mandatory Exchangeable Trust			Devon Energy Corp.		
5.75%, 6/3/19 ¹	235,000	<u>25,703,125</u>	3.25%, 5/15/22	(8,000,000)	<u>(7,968,664)</u>
Total CONVERTIBLE PREFERRED STOCKS (Cost \$53,683,231)		<u>49,429,375</u>			<u>(15,813,319)</u>
PREFERRED STOCKS — 1.60%			Oil & Gas Services — (0.61)%		
Banks — 1.60%			National Oilwell Varco, Inc.		
GMAC Capital Trust I			2.60%, 12/1/22	(14,975,000)	(13,915,294)
6.69%, 2/15/40 ^{2,10}	1,428,511	<u>36,284,179</u>	Pipelines — (0.59)%		
Total PREFERRED STOCKS (Cost \$38,235,282)		<u>36,284,179</u>	Enbridge Energy Partners LP		
PURCHASED PUT OPTIONS — 0.00%			5.88%, 10/15/25	(12,000,000)	(13,424,556)
Alibaba Group Holding Ltd. ADR,			Sovereign — (2.39)%		
Exercise Price: \$30.00,			Turkey Government International Bond (Turkey)		
Expiration Date: January 19, 2018*	1,500	42,000	4.88%, 10/9/26 ³	(58,500,000)	<u>(54,429,336)</u>
Apollo Education Group, Inc.,			Total CORPORATE BONDS		
Exercise Price: \$8.00,			(Proceeds \$127,226,059)		<u>(127,616,970)</u>
Expiration Date: January 20, 2017*	4,500	<u>22,500</u>	U.S. GOVERNMENT AND AGENCY SECURITIES — (1.19)%		
Total PURCHASED PUT OPTIONS (Premiums paid \$690,094)		<u>64,500</u>	United States Treasury Bond		
TOTAL INVESTMENTS (Cost \$1,940,851,072)	85.76%	\$1,950,716,936	3.00%, 11/15/44	(16,000,000)	(15,813,744)
Other Assets less Liabilities	14.24%	324,110,172	3.00%, 5/15/45	(11,293,000)	<u>(11,146,101)</u>
Net Assets	100.00%	<u>\$2,274,827,108</u>			<u>(26,959,845)</u>
SECURITIES SOLD SHORT — (20.73)%			Total U.S. GOVERNMENT AND AGENCY SECURITIES (Proceeds \$28,478,281)		<u>(26,959,845)</u>
CORPORATE BONDS — (5.61)%			COMMON STOCKS — (6.91)%		
Entertainment — (0.73)%			Building Materials — (0.49)%		
Scientific Games International, Inc.			Cemex S.A.B. de C.V. ADR*	(1,378,000)	(11,065,340)
7.00%, 1/1/22 ¹	\$ (11,000,000)	\$ (11,907,500)	Diversified Financial Services — (0.14)%		
Scientific Games International, Inc.			FNF Group	(95,316)	(3,236,931)
7.00%, 1/1/22	(4,400,000)	<u>(4,763,000)</u>	Entertainment — (0.46)%		
		<u>(16,670,500)</u>	Eldorado Resorts, Inc.*	(615,428)	(10,431,505)
Media — (0.59)%			Environmental Control — (0.76)%		
CSC Holdings LLC			Stericycle, Inc.*	(226,000)	(17,411,040)
5.25%, 6/1/24	(13,602,000)	(13,363,965)	Insurance — (1.07)%		
			First American Financial Corp.	(662,150)	(24,254,554)
			Internet — (0.95)%		
			Alibaba Group Holding Ltd. ADR*	(246,000)	(21,601,260)
			Lodging — (0.78)%		
			Boyd Gaming Corp.*	(875,000)	(17,648,750)

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
Media — 0.00%		
Charter Communications, Inc., Class A*	—	\$ (105)
Semiconductors — (0.91)%		
Microchip Technology, Inc.	(322,000)	(20,656,300)
Telecommunications — (1.35)%		
Ciena Corp.*	(535,800)	(13,078,878)
FairPoint Communications, Inc.*	(950,458)	(17,773,565)
		<u>(30,852,443)</u>
Total COMMON STOCKS (Proceeds \$146,342,229)		<u>(157,158,228)</u>
EXCHANGE-TRADED FUNDS — (7.02)%		
iShares Russell 2000 ETF	(207,000)	(27,913,950)
Powershares QQQ Trust Series 1	(416,000)	(49,287,680)
Vanguard REIT ETF	(1,000,000)	(82,530,000)
		<u>(159,731,630)</u>
Total EXCHANGE-TRADED FUNDS (Proceeds \$157,347,885)		<u>(159,731,630)</u>
TOTAL INVESTMENT SECURITIES SOLD SHORT (Proceeds \$459,394,454)	(20.73)%	<u>\$ (471,466,673)</u>

* Non-income producing security.

¹ Security is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. Unless otherwise indicated, this security has been determined to be liquid under procedures established by Driehaus Mutual Funds' (the "Trust") Board of Trustees and may be resold in transactions exempt from registration, normally to qualified institutional buyers.

² Variable rate security. Rates disclosed as of December 31, 2016.

³ Foreign security denominated in U.S. dollars and traded on a U.S. exchange.

⁴ Security valued at fair value as determined in good faith by Driehaus Capital Management LLC (the "Adviser"), investment adviser to the Fund, in accordance with procedures established by, and under the general supervision of, the Trust's Board of Trustees.

⁵ Security is in default.

⁶ Foreign security, par value shown in local currency (British Pound).

⁷ Bank loans in which the Fund invests pay interest at rates which are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more United States banks or (iii) the certificate of deposit rate. Certain bank loans are subject to a LIBOR floor that establishes a minimum LIBOR rate. The interest rate shown reflects the rate in effect at December 31, 2016. Bank loans generally are subject to mandatory and/or optional repayment. As a result, the actual remaining maturity may be substantially less than the stated maturities shown.

⁸ Affiliated company. (See Note C)

⁹ Pursuant to procedures adopted by the Trust's Board of Trustees, this security has been determined to be illiquid by the Adviser.

¹⁰ All or a portion of this security is pledged as collateral for short sales or derivatives transactions.

Percentages are stated as a percent of net assets.

Security Type	Percent of Total Net Assets
Asset-Backed Securities	0.01%
Bank Loans	23.33%
Corporate Bonds	31.31%
Convertible Corporate Bonds	3.75%
U.S. Government and Agency Securities	0.30%
Common Stocks	23.29%
Convertible Preferred Stocks	2.17%
Preferred Stocks	1.60%
Purchased Put Options	0.00%
Total Investments	85.76%
Other Assets less Liabilities	<u>14.24%</u>
Total Net Assets	<u>100.00%</u>

Percentages are stated as a percent of net assets.

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

SWAP CONTRACTS

Credit Default Swaps

Counterparty	Reference Instrument	Currency	Notional Amount ⁽⁴⁾	Buy/Sell Protection ⁽¹⁾⁽²⁾	Pay (Receive) Fixed Rate	Expiration Date	Implied Credit Spread ⁽³⁾	Upfront Premium Paid (Received)	Unrealized Appreciation/ (Depreciation)	Value
Bank of America	Ally Financial, Inc. 7.50%, 9/15/20	USD	10,000,000	Buy	5.00%	12/20/2018	1.24%	\$(1,492,458)	\$ 748,951	\$(743,507)
Barclays	Banco Bilbao Vizcaya Argentaria SA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00	3/20/2020	2.09	221,046	(41,394)	179,652
Barclays	Banco Bilbao Vizcaya Argentaria SA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	2.09	458,796	(99,491)	359,305
Bank of America	Banco Bilbao Vizcaya Argentaria SA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	2.09	397,363	(38,058)	359,305
Barclays	Banco Bilbao Vizcaya Argentaria SA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	0.92	39,492	(23,709)	15,783
Barclays	Banco Bilbao Vizcaya Argentaria SA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	0.92	62,054	(30,489)	31,565
Bank of America	Banco Bilbao Vizcaya Argentaria SA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	0.92	84,333	(52,768)	31,565
Barclays	Banco Santander SA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00	3/20/2020	2.02	218,619	(50,670)	167,949
Bank of America	Banco Santander SA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	2.02	386,569	(50,671)	335,898
Bank of America	Banco Santander SA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	0.89	84,333	(44,988)	39,345
Barclays	Banco Santander SA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	0.89	33,862	(14,189)	19,673
JP Morgan	ConocoPhillips Company 5.90%, 10/15/32	USD	3,000,000	Buy	1.00	12/20/2020	0.74	293,043	(324,244)	(31,201)
JP Morgan	ConocoPhillips Company 5.90%, 10/15/32	USD	5,000,000	Buy	1.00	12/20/2020	0.74	673,047	(725,050)	(52,003)
Morgan Stanley	ConocoPhillips Company 5.90%, 10/15/32	USD	3,000,000	Buy	1.00	12/20/2020	0.74	327,105	(358,307)	(31,202)
JP Morgan	ConocoPhillips Company 5.90%, 10/15/32	USD	3,000,000	Buy	1.00	12/20/2020	0.74	285,850	(317,051)	(31,201)
JP Morgan	ConocoPhillips Company 5.90%, 10/15/32	USD	5,000,000	Buy	1.00	12/20/2020	0.74	457,091	(509,093)	(52,002)
Barclays	ConocoPhillips Company 5.90%, 10/15/32	USD	3,000,000	Buy	1.00	12/20/2020	0.74	92,233	(123,434)	(31,201)
Morgan Stanley	Devon Energy Corp. 7.95%, 4/15/32	USD	5,000,000	Buy	1.00	12/20/2020	1.09	1,068,817	(1,054,237)	14,580
Morgan Stanley	Devon Energy Corp. 7.95%, 4/15/32	USD	3,000,000	Buy	1.00	12/20/2020	1.09	605,992	(597,244)	8,748

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

Credit Default Swaps (continued)

Counterparty	Reference Instrument	Currency	Notional Amount ⁽⁴⁾	Buy/Sell Protection ⁽¹⁾⁽²⁾	Pay (Receive) Fixed Rate	Expiration Date	Implied Credit Spread ⁽³⁾	Upfront Premium Paid (Received)	Unrealized Appreciation/ (Depreciation)	Value
Barclays	Devon Energy Corp. 7.95%, 4/15/32	USD	5,000,000	Buy	1.00%	12/20/2020	1.09%	\$ 1,103,689	\$(1,089,110)	\$ 14,579
JP Morgan	Hess Corp. 7.00%, 2/15/14	USD	8,000,000	Buy	1.00	6/20/2018	0.50	154,644	(216,532)	(61,888)
Morgan Stanley	Hess Corp. 7.00%, 2/15/14	USD	4,000,000	Buy	1.00	6/20/2018	0.50	77,280	(108,224)	(30,944)
Morgan Stanley	Hess Corp. 7.00%, 2/15/14	USD	4,000,000	Buy	1.00	6/20/2018	0.50	80,701	(111,645)	(30,944)
Morgan Stanley	Hess Corp. 7.00%, 2/15/14	USD	4,000,000	Buy	1.00	6/20/2018	0.50	91,702	(122,647)	(30,945)
Credit Suisse	Hess Corp. 7.00%, 2/15/14	USD	20,000,000	Buy	1.00	9/20/2018	0.56	309,975	(468,229)	(158,254)
Barclays	Intesa Sanpaolo SpA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00	3/20/2020	2.32	202,397	14,370	216,767
Bank of America	Intesa Sanpaolo SpA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	2.32	413,529	20,005	433,534
Barclays	Intesa Sanpaolo SpA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	1.07	31,027	(40,981)	(9,954)
Bank of America	Intesa Sanpaolo SpA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	1.07	84,333	(104,240)	(19,907)
Goldman Sachs	Nordstrom, Inc. 6.95%, 3/15/28	USD	2,850,000	Buy	1.00	12/20/2021	1.59	38,428	38,084	76,512
Goldman Sachs	The Markit iTraxx Europe Crossover IndexSeries 19	EUR	23,500,000	Buy	5.00	6/20/2018	0.39	(1,536,927)	(198,046)	(1,734,973)
Goldman Sachs	The Markit iTraxx Europe Crossover IndexSeries 20	EUR	10,000,000	Buy	5.00	12/20/2018	1.08	(2,134,040)	1,300,150	(833,890)
Morgan Stanley	The Markit iTraxx Europe Crossover IndexSeries 20	EUR	10,000,000	Buy	5.00	12/20/2018	1.08	(2,137,029)	1,303,140	(833,889)
Morgan Stanley	The Markit iTraxx Europe Crossover IndexSeries 20	EUR	10,000,000	Buy	5.00	12/20/2018	1.08	(2,252,200)	1,418,311	(833,889)
Goldman Sachs	The Markit iTraxx Europe Crossover IndexSeries 22	EUR	15,619,890	Buy	5.00	12/20/2019	1.98	(1,251,770)	(204,434)	(1,456,204)
Barclays	UniCredit SpA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00	3/20/2020	3.02	469,337	(141,515)	327,822
Barclays	UniCredit SpA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	3.02	914,405	(258,761)	655,644
Bank of America	UniCredit SpA 5 Year Subordinated Debt	EUR	10,000,000	Buy	1.00	3/20/2020	3.02	859,000	(203,356)	655,644
Barclays	UniCredit SpA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	1.34	(52,853)	(2,359)	(55,212)
Barclays	UniCredit SpA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	1.34	(105,835)	(4,589)	(110,424)
Bank of America	UniCredit SpA 5 Year Senior Debt	EUR	(10,000,000)	Sell	(1.00)	3/20/2020	1.34	(83,273)	(27,151)	(110,424)

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

Credit Default Swaps (continued)

Counterparty	Reference Instrument	Currency	Notional Amount ⁽⁴⁾	Buy/Sell Protection ⁽¹⁾⁽²⁾	Pay (Receive) Fixed Rate	Expiration Date	Implied Credit Spread ⁽³⁾	Upfront Premium Paid (Received)	Unrealized Appreciation/ (Depreciation)	Value
Barclays	Weatherford International PLC 4.50%, 4/15/22	USD	3,000,000	Buy	1.00%	12/20/2020	5.02%	\$1,080,000	\$ (668,219)	\$ 411,781
Barclays	Weatherford International PLC 4.50%, 4/15/22	USD	4,000,000	Buy	1.00	12/20/2020	5.02	1,280,000	(730,959)	549,041
Barclays	Weatherford International PLC 4.50%, 4/15/22	USD	2,000,000	Buy	1.00	12/20/2020	5.02	520,000	(245,480)	274,520
TOTAL CREDIT DEFAULT SWAPS								<u>\$2,453,707</u>	<u>\$(4,558,553)</u>	<u>\$(2,104,846)</u>

¹ If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying investments comprising the referenced index or (ii) receive a net settlement amount in the form of cash or investments equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying investments comprising the referenced index.

² If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying investments comprising the referenced index or (ii) pay a net settlement amount in the form of cash or investments equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying investments comprising the referenced index.

³ An implied credit spread is the spread in yield between a U.S. Treasury security and the referenced obligation or underlying investment that are identical in all respects except for the quality rating. Implied credit spreads, represented in absolute terms, utilized in determining the value of credit default swap agreements on corporate and sovereign issues as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood of risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads, in comparison to narrower credit spreads, represent a deterioration of the referenced entity's credit soundness and a greater likelihood of risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced entity or obligation.

⁴ The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

EUR — Euro

USD — United States Dollar

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Active Income Fund
Schedule of Investments
December 31, 2016

Total Return Swaps

Counterparty	Reference Index	Currency	Notional Amount	Pay/Receive Total Return on Reference Index	Financing Rate ²	Termination Date	Unrealized Appreciation/ (Depreciation)
Goldman Sachs	Goldman Sachs Catch-Up Energy Index ³	USD	76,835	See Note 1	1-Month USD-LIBOR plus 1.40%	6/13/2017	\$(164,811)
Goldman Sachs	Goldman Sachs Stable Energy Index ⁴	USD	101,538	See Note 1	1-Month USD-LIBOR plus 1.40%	6/13/2017	(470,121)
TOTAL TOTAL RETURN SWAPS							<u><u>\$(634,932)</u></u>

¹ The Fund pays the financing rate. The Fund receives payment from the counterparty if the value of the total return of the reference index has increased and makes payment if the value has decreased.

² Financing rate is based upon predetermined notional amounts.

³ The Goldman Sachs Catch-Up Energy Index is a customized index comprised of 5 U.S. energy equity securities.

⁴ The Goldman Sachs Stable Energy Index is a customized index comprised of 5 U.S. energy equity securities.

USD — United States Dollar

SWAPTIONS

Interest Rate Swaptions

Counterparty	Floating Rate Index	Currency	Notional Amount	Pay/Receive Fixed Rate	Exercise Rate	Expiration Date	Premium Paid/ (Received)	Market Value
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	39,500,000	Pay	1.35%	1/25/2017	\$234,891	\$1,222,523
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	29,900,000	Pay	1.48	1/25/2017	257,791	1,370,813
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	20,800,000	Pay	1.64	1/25/2017	258,802	1,347,720
TOTAL INTEREST RATE SWAPTIONS							<u><u>\$751,484</u></u>	<u><u>\$3,941,056</u></u>

USD — United States Dollar

FUTURES CONTRACTS

Futures Contracts	Number of Contracts (Short)	Expiration Date	Unrealized Appreciation/ (Depreciation)
S&P 500 E-Mini	(440)	March 17, 2017	\$ 403,568
U.S. 5 Year Treasury Note	(2,425)	March 30, 2017	884,731
U.S. 10 Year Treasury Note	(501)	March 22, 2017	344,458
U.S. Treasury Long Bond	(265)	March 22, 2017	442,461
TOTAL FUTURES CONTRACTS			<u><u>\$2,075,218</u></u>

FORWARD FOREIGN CURRENCY CONTRACTS

Counterparty	Currency Purchased	Currency Sold	Settlement Date	Value at December 31, 2016	Unrealized Appreciation/ (Depreciation)
Goldman Sachs	USD 10,949,136	GBP 8,800,000	February 1, 2017	\$(10,854,060)	\$95,076
Goldman Sachs	GBP 2,000,000	USD 2,472,930	February 1, 2017	2,466,832	(6,098)
TOTAL FORWARD FOREIGN CURRENCY CONTRACTS				<u><u>\$(8,387,228)</u></u>	<u><u>\$88,978</u></u>

GBP = British Pound

USD = United States Dollar

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Select Credit Fund — Portfolio Managers' Letter

Dear Shareholders,

The Driehaus Select Credit Fund ("Fund") returned 2.59% for the year ended December 31, 2016. This return exceeded the performance of the Fund's benchmark, the Citigroup 3-Month T-Bill Index, which returned 0.27% for the same period. The Fund underperformed the BofA Merrill Lynch US High Yield Index, which returned 17.49% for the year.

2016 opened with widening spreads across the credit universe. Investment grade and high yield credits reached their widest spreads for the year in February, which then compressed a respective 93 and 476 basis points through year-end, generating returns of 5.96% and 17.49%. Leveraged loans also provided solid returns of 9.78%, the asset class's strongest return since it rose 15.4% in 2012. Similarly, domestic equity markets rallied with the S&P 500 Index returning 11.96%. In general, a steady improvement in the commodity backdrop that started in February, a better outlook for global growth, and the possibility of fiscal stimulus helped drive performance in nearly all markets. As a result, default activity trended down throughout the year. More than half of 2016's defaults were in the first half of the year, and commodity sectors accounted for more than 80% of the activity. At the end of 2016, the high yield default rate was 3.98% (0.68% excluding commodities).

The directional long trading strategy was the most significant contributor for the year. The directional long positions with the most significant contribution to performance were concentrated in the airline, retail, technology, mining, insurance, health care, gym, ticket broker, energy and IT services industries. These gains were partially offset by losses in an e-learning software provider and several energy companies.

The event driven strategy was the second most significant contributor. Event trades focus on catalyst-driven corporate events, such as mergers and acquisitions or company announcements. Depending on the anticipated timing and nature of the event, these trades can be structured using a single security type or a combination of bonds, options, bank loans, swaps and equities. Seven positions in the gaming, cinema, media, entertainment technology, cable and office products industries added the most value, driven by announced acquisitions closing or to equity markets rallying. These gains were partially offset by losses in seven positions in the health insurance, pharmacy and insurance brokerage industries and a regional bank.

On the negative side, the pairs trading, directional short, capital structure arbitrage, and convertible arbitrage trading strategies detracted from performance. The pairs trading strategy detraction was driven by a position in a Brazilian energy company where the short leg of the trade underperformed the long leg of the trade. In the directional short strategy, short positions in several energy companies underperformed as commodity prices stabilized and rallied throughout the year, and a short position in an investment grade department store detracted value. These losses were partially offset by a profitable short in a European sovereign.

Capital structure arbitrage trades are created with a long and short side to the trade, which will typically move inversely to each other, allowing us to hedge risk and dampen volatility. While one side of the trade will often detract from the trade, the overall trade is designed for the contributor to be larger than the detractor. Convertible arbitrage trades attempt to profit from changes in a company's equity volatility by purchasing a convertible bond and simultaneously shorting the same company's common stock. Within the capital structure arbitrage strategy, a short-leaning energy position detracted from returns as commodity prices recovered throughout the year. Two short-leaning positions in periphery European banks also detracted value. On the positive side, a spread-tightening position in a newly merged cable company contributed to performance and a short-leaning position in a satellite operator also added value. In the convertible arbitrage strategy, a position in a pharmaceutical company underperformed after the company announced earnings that missed expectations.

The hedging strategies had mixed performance. The volatility trades detracted from returns as various downside protection trades that were focused on the S&P 500 or other equity indices lost value as equities rallied throughout the year. Volatility trades are generally constructed by implementing various option strategies, through forwards, or through the use of credit default swaps on indices. Although the volatility trades detracted from performance on a net basis, there were three months (January, June and October) where the trades contributed to performance. The interest rate hedge, which is constructed with US Treasury futures and US Treasury swaptions, had a positive effect on returns. The majority of this contribution came in the

second half of the year as interest rates started to increase in anticipation of a Federal Reserve hike in December, improving domestic macro data, and a change in policy suggesting significant fiscal stimulus in 2017.

Looking ahead, we are excited about the investment opportunities we see in the capital markets despite tight spreads and muted volatility. We are finding a number of mid-single digit expected rate of return trades as many companies are retiring old bonds and replacing them with lower coupons. That's not ideal if you are a long-term holder of that company's bonds, but it enables us to identify securities that are likely to be called in a relatively short time period and lock in a respectable yield until that projected call date. On the downside, you can't expect much in the way of price appreciation as the security typically hovers right around call price. On the upside, the security typically doesn't drop much in a selloff because investors know that the company is likely to call the bond.

We also have been active in the loan market. There are plenty of companies with approximately 5% yielding paper and low to moderate credit risk. Here again, the opportunity for capital appreciation is limited, but so is the security's expected price volatility. Additionally, the LIBOR rate has been rising, which means the coupons on these securities have been rising. Consequently, investors have little interest rate exposure from these loans.

Last, risk-arbitrage trades should remain a steady source of investment opportunities. Corporate activity has only showed signs of speeding up, not slowing down. At the same time, there has been little capital allocated to funds that typically employ risk arbitrage. Steady supply with low demand tends to provide attractive investment opportunities.

As always, we at Driehaus Capital Management thank you for your interest in the Driehaus Select Credit Fund and would like to express our gratitude to you as shareholders for your continued confidence in our management capabilities.

Sincerely,



K.C. Nelson
Portfolio Manager



Elizabeth Cassidy
Assistant Portfolio Manager

Performance is historical and does not represent future results.

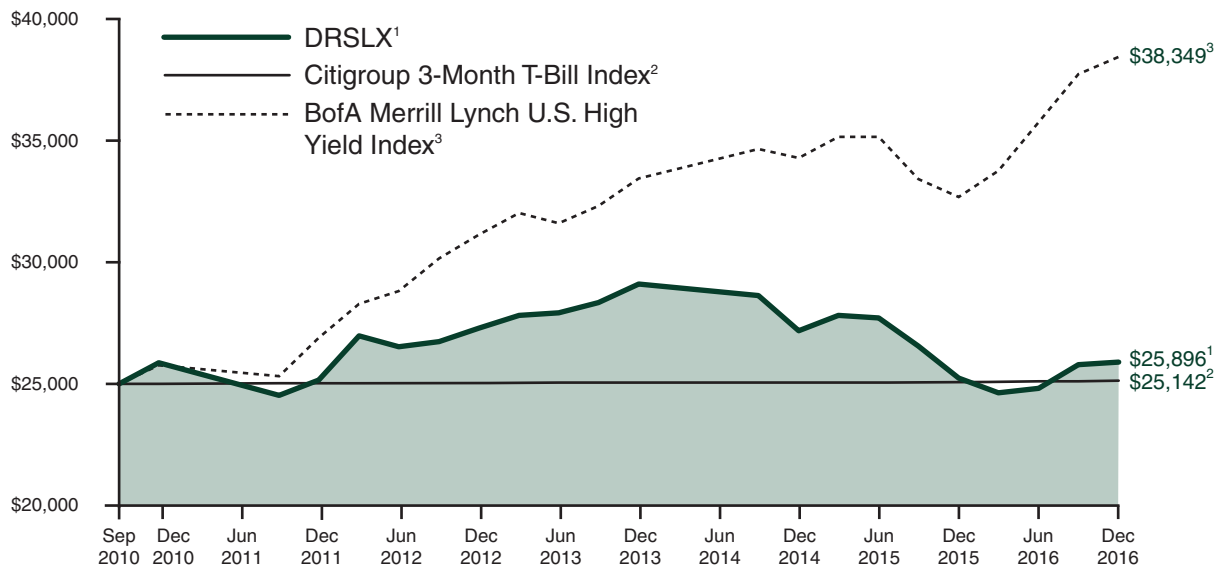
Please see the following performance page for index definitions.

Driehaus Select Credit Fund
Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$25,000 investment (minimum investment) in the Fund since September 30, 2010 (the date of the Fund's inception), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/16	1 Year	3 Years	5 Years	Since Inception (09/30/10 - 12/31/16)
Driehaus Select Credit Fund (DRSLX) ¹	2.59%	-3.80%	0.57%	0.56%
Citigroup 3-Month T-Bill Index ²	0.27%	0.11%	0.09%	0.09%
BofA Merrill Lynch U.S. High Yield Index ³	17.49%	4.72%	7.35%	7.08%



¹ The returns for the periods prior to February 1, 2011, reflect fee waivers and/or reimbursements without which performance would have been lower.

² 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 reflect reinvestment of all distributions and changes in market prices.

³ The BofA Merrill Lynch U.S. High Yield Index is an unmanaged index that tracks the performance of below-investment grade, U.S.-dollar denominated corporate bonds publicly issued in the U.S. domestic market.

Driehaus Select Credit Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
BANK LOANS — 16.45%			Oil & Gas — 0.65%		
Entertainment — 5.06%			Approach Resources, Inc.		
Vivid Seats LLC			7.00%, 6/15/21 ⁸	\$ 500,000	\$ 450,000
10.75%, 10/12/23 ^{2,6}	\$ 3,500,000	\$ 3,517,500	Restaurants — 2.05%		
Insurance — 6.45%			Ruby Tuesday, Inc.		
Asurion LLC			7.63%, 5/15/20 ⁸	1,500,000	1,425,000
8.50%, 3/3/21 ^{2,6}	350,000	356,454	Retail — 7.25%		
Lonestar Intermediate Super			Neiman Marcus Group Ltd.		
Holdings LLC			LLC		
10.00%, 8/10/21 ^{2,6}	4,000,000	4,130,000	8.00%, 10/15/21 ^{1,8}	2,450,000	1,819,125
		<u>4,486,454</u>	Rite Aid Corp.		
Software — 4.94%			6.13%, 4/1/23 ^{1,8}	3,000,000	<u>3,225,000</u>
Applied Systems, Inc.			Total CORPORATE BONDS		
7.50%, 1/23/22 ^{2,6}	3,393,846	3,437,117	(Cost \$27,455,598)		<u>26,218,204</u>
Total BANK LOANS			CONVERTIBLE CORPORATE BONDS — 0.03%		
(Cost \$11,153,623)		<u>11,441,071</u>	Electrical Components & Equipment — 0.03%		
CORPORATE BONDS — 37.68%			Suntech Power Holdings		
Airlines — 1.79%			Co., Ltd. (China)		
Gol LuxCo SA			3.00%, 3/15/17 ^{3,5,7,8}	4,000,000	18,000
(Luxembourg)			Total CONVERTIBLE		
8.88%, 1/24/22 ^{3,8}	1,850,000	1,248,750	CORPORATE BONDS		
Banks — 12.22%			(Cost \$4,022,640)		
PNC Capital Trust C					<u>18,000</u>
1.50%, 6/1/28 ^{2,8}	2,500,000	2,300,000	COMMON STOCKS — 20.79%		
PNC Financial Services			Electric — 1.25%		
Group, Inc.			Westar Energy, Inc. ⁸		
5.00%, 12/29/49 ^{2,8}	2,000,000	1,930,000		15,500	873,425
Royal Bank of Scotland			Entertainment — 15.86%		
Group PLC			AMC Entertainment		
(United Kingdom)			Holdings, Inc.,		
7.64%, 3/29/49 ^{2,3,8}	3,450,000	3,199,875	Class A ⁸	131,992	4,441,516
State Street Corp.			Gaming and Leisure		
1.96%, 6/15/37 ^{2,8}	1,213,000	1,071,989	Properties, Inc. ⁸		
		<u>8,501,864</u>	Pinnacle Entertainment,		
Biotechnology — 3.43%			Inc. ⁸		
Concordia International				201,055	<u>2,915,297</u>
Corp. (Canada)			<u>11,033,724</u>		
9.00%, 4/1/22 ^{1,3}	175,000	148,313	Media — 3.68%		
Sterigenics-Nordion Topco			TiVo, Inc. ⁸		
LLC				122,430	2,558,787
8.13%, 11/1/21 ^{1,8}	2,250,000	2,238,750	Total COMMON STOCKS		
		<u>2,387,063</u>	(Cost \$13,167,762)		
Healthcare — Services — 5.10%			<u>14,465,936</u>		
Kindred Healthcare, Inc.					
6.38%, 4/15/22 ⁸	3,973,000	3,545,902			
Media — 5.19%					
Neptune Finco Corp.					
10.13%, 1/15/23 ^{1,8}	2,100,000	2,425,500			
Neptune Finco Corp.					
10.88%, 10/15/25 ^{1,8}	1,000,000	1,190,000			
		<u>3,615,500</u>			

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Select Credit Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
CONVERTIBLE PREFERRED STOCKS — 0.00%			EXCHANGE-TRADED FUNDS — (2.11)%		
Auto Manufacturers — 0.00%			iShares Russell 2000 ETF ... (6,500) \$ (876,525)		
General Motors Corp. Senior Convertible Preferred Escrow — C 7.25%, 4/15/14 ^{4,5,7}	94,958	\$ —	Powershares QQQ Trust Series 1		
			(5,000)	(592,400)	(1,468,925)
Total CONVERTIBLE PREFERRED STOCKS (Cost \$0)		—	Total EXCHANGE-TRADED FUNDS (Proceeds \$1,437,645) ...		
				(1,468,925)	
TOTAL INVESTMENTS (Cost \$55,799,623)	74.95%	\$ 52,143,211	TOTAL INVESTMENT SECURITIES SOLD SHORT (Proceeds \$11,213,786) ..		
Other Assets less Liabilities ...	25.05%	17,432,070	(16.80)%	\$(11,692,346)	
Net Assets	100.00%	\$ 69,575,281			
SECURITIES SOLD SHORT — (16.80)%					
CORPORATE BONDS — (9.98)%					
Media — (2.13)%					
CSC Holdings LLC 5.25%, 6/1/24	\$(1,511,000)	\$ (1,484,558)			
Oil & Gas — (0.90)%					
Denbury Resources, Inc. 6.38%, 8/15/21	(684,000)	(622,440)			
Oil & Gas Services — (2.94)%					
National Oilwell Varco, Inc. 2.60%, 12/1/22	(1,525,000)	(1,417,083)			
Weatherford International Ltd. (Bermuda) 5.13%, 9/15/20 ³	(662,000)	(628,900)			
		(2,045,983)			
Sovereign — (4.01)%					
Turkey Government International Bond (Turkey) 4.88%, 10/9/26 ³	(3,000,000)	(2,791,248)			
Total CORPORATE BONDS (Proceeds \$6,998,330) ...		(6,944,229)			
COMMON STOCKS — (4.71)%					
Entertainment — (0.81)%					
Eldorado Resorts, Inc.*	(16,808)	(284,896)			
Penn National Gaming, Inc.*	(20,000)	(275,800)			
		(560,696)			
Lodging — (0.43)%					
Boyd Gaming Corp.*	(15,000)	(302,550)			
Telecommunications — (3.47)%					
FairPoint Communications, Inc.*	(129,195)	(2,415,946)			
Total COMMON STOCKS (Proceeds \$2,777,811) ...		(3,279,192)			

* Non-income producing security.

¹ Security is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. Unless otherwise indicated, this security has been determined to be liquid under procedures established by Driehaus Mutual Funds' (the "Trust") Board of Trustees and may be resold in transactions exempt from registration, normally to qualified institutional buyers.

² Variable rate security. Rates disclosed as December 31, 2016.

³ Foreign security denominated in U.S. dollars and traded on a U.S. exchange.

⁴ Security valued at fair value as determined in good faith by Driehaus Capital Management LLC (the "Adviser"), investment adviser to the Fund, in accordance with procedures established by, and under the general supervision of, the Trust's Board of Trustees.

⁵ Security is in default.

⁶ Bank loans in which the Fund invests pay interest at rates which are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more United States banks or (iii) the certificate of deposit rate. Certain bank loans are subject to a LIBOR floor that establishes a minimum LIBOR rate. The interest rate shown reflects the rate in effect at December 31, 2016. Bank loans generally are subject to mandatory and/or optional repayment. As a result, the actual remaining maturity may be substantially less than the stated maturities shown.

⁷ Pursuant to procedures adopted by the Trust's Board of Trustees, this security has been determined to be illiquid by the Adviser.

⁸ All or a portion of this security is pledged as collateral for short sales or derivatives transactions.

Percentages are stated as a percent of net assets.

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Select Credit Fund
Schedule of Investments
December 31, 2016

<u>Security Type</u>	<u>Percent of Total Net Assets</u>
Bank Loans	16.45%
Corporate Bonds	37.68%
Convertible Corporate Bonds	0.03%
Common Stocks	20.79%
Convertible Preferred Stocks	0.00%
Total Investments	74.95%
Other Assets less Liabilities	25.05%
Total Net Assets	100.00%

Percentages are stated as a percent of net assets.

SWAP CONTRACTS

Credit Default Swaps

<u>Counterparty</u>	<u>Reference Instrument</u>	<u>Currency</u>	<u>Notional Amount⁽⁴⁾</u>	<u>Buy/Sell Protection⁽¹⁾⁽²⁾</u>	<u>Pay (Receive) Fixed Rate</u>	<u>Expiration Date</u>	<u>Implied Credit Spread⁽³⁾</u>	<u>Upfront Premium Paid (Received)</u>	<u>Unrealized Appreciation/ (Depreciation)</u>	<u>Value</u>
Goldman Sachs	Banco Bilbao Vizcaya Argentaria SA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00%	3/20/2020	2.09%	\$207,316	\$ (27,664)	\$179,652
Bank of America	Banco Bilbao Vizcaya Argentaria SA 5 Year Subordinated Debt	EUR	2,500,000	Buy	1.00	9/20/2020	0.92	179,266	(61,366)	117,900
Goldman Sachs	Banco Bilbao Vizcaya Argentaria SA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	2.24	42,280	(26,497)	15,783
Bank of America	Banco Bilbao Vizcaya Argentaria SA 5 Year Senior Debt	EUR	(2,500,000)	Sell	(1.00)	9/20/2020	1.01	(23,319)	23,438	119
Goldman Sachs	Banco Santander SA 5 Year Subordinated Debt	EUR	5,000,000	Buy	1.00	3/20/2020	2.02	207,316	(39,368)	167,948
Bank of America	Banco Santander SA 5 Year Subordinated Debt	EUR	2,500,000	Buy	1.00	9/20/2020	0.99	172,853	(63,103)	109,750
Goldman Sachs	Banco Santander SA 5 Year Senior Debt	EUR	(5,000,000)	Sell	(1.00)	3/20/2020	0.89	42,280	(22,607)	19,673
Bank of America	Banco Santander SA 5 Year Senior Debt	EUR	(2,500,000)	Sell	(1.00)	9/20/2020	2.16	(20,594)	22,506	1,912
TOTAL CREDIT DEFAULT SWAPS								<u>\$807,398</u>	<u>\$(194,661)</u>	<u>\$612,737</u>

¹ If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying investments comprising the referenced index or (ii) receive a net settlement amount in the form of cash or investments equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying investments comprising the referenced index.

² If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying investments comprising the referenced index or (ii) pay a net settlement amount in the form of cash or investments equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying investments comprising the referenced index.

³ An implied credit spread is the spread in yield between a U.S. Treasury security and the referenced obligation or underlying investment that are identical in all respects except for the quality rating. Implied credit spreads, represented in absolute terms,

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Select Credit Fund
Schedule of Investments
December 31, 2016

utilized in determining the value of credit default swap agreements on corporate and sovereign issues as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood of risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads, in comparison to narrower credit spreads, represent a deterioration of the referenced entity's credit soundness and a greater likelihood of risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced entity or obligation.

⁴ The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

EUR — Euro

Total Return Swaps

Counterparty	Reference Index	Currency	Notional Amount	Pay/Receive Total Return on Reference Index	Financing Rate ²	Termination Date	Unrealized Appreciation/ (Depreciation)
Goldman Sachs	Goldman Sachs Catch-Up Energy Index ³	USD	4,457	See Note 1	1-Month USD-LIBOR plus 1.40%	6/13/2017	\$ (9,560)
Goldman Sachs	Goldman Sachs Stable Energy Index ⁴	USD	5,918	See Note 1	1-Month USD-LIBOR plus 1.40%	6/13/2017	(27,400)
TOTAL TOTAL RETURN SWAPS							<u>\$ (36,960)</u>

¹ The Fund pays the financing rate. The Fund receives payment from the counterparty if the value of the total return of the reference index has increased and makes payment if the value has decreased.

² Financing rate is based upon predetermined notional amounts.

³ The Goldman Sachs Catch-Up Energy Index is a customized index comprised of 5 U.S. equity energy securities.

⁴ The Goldman Sachs Stable Energy Index is a customized index comprised of 5 U.S. equity energy securities.

USD — United States Dollar

SWAPTIONS

Interest Rate Swaptions

Counterparty	Floating Rate Index	Currency	Notional Amount	Pay/Receive Fixed Rate	Exercise Rate	Expiration Date	Premium Paid/ (Received)	Market Value
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	900,000	Pay	1.64%	1/25/2017	\$11,198	\$ 58,315
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	1,700,000	Pay	1.35	1/25/2017	10,109	52,615
Morgan Stanley	3-Month USD-LIBOR-BBA	USD	1,300,000	Pay	1.48	1/25/2017	11,208	59,600
TOTAL INTEREST RATE SWAPTIONS							<u>\$32,515</u>	<u>\$170,530</u>

USD — United States Dollar

FUTURES CONTRACTS

Futures Contracts	Number of Contracts Long/(Short)	Expiration Date	Unrealized Appreciation/ (Depreciation)
S&P 500 E-mini	(16)	March 17, 2017	\$14,675
U.S. 5 Year Treasury Note	(105)	March 30, 2017	38,308
U.S. 10 Year Treasury Note	(22)	March 22, 2017	15,126
U.S. Treasury Long Bond	(12)	March 22, 2017	20,036
TOTAL FUTURES CONTRACTS			<u>\$88,145</u>

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Event Driven Fund — Portfolio Managers' Letter

Dear Shareholders,

The Driehaus Event Driven Fund (“Fund”) returned 6.25% for the year ended December 31, 2016. This return is in comparison to the performance of the Fund’s benchmark, the S&P 500 Index (the “Benchmark”), which returned 11.96% for the same period, and the Citigroup 3-Month T-Bill Index, an additional index against which the Fund’s performance may be compared, which returned 0.27%.

This past year was filled with surprises. The reversal in the price of oil, Brexit, the US election outcome, and the rise in US rates were just some of the notable and unexpected events of 2016. The event-driven space dealt with a handful of its own surprises, including renewed Treasury inversion actions, the Department of Justice squashing deals seemingly without reason, and increased cross-border protectionist rhetoric, all of which resulted in a year with the largest dollar amount of deal breaks on record. Sprinkle in one of the biggest — and quickest — reversals in Treasury rates in history, and it is likely 2016 will be remembered as anything but conventional and boring.

Within the fund, risk arbitrage trades were the most significant contributors to performance during the year. The positions often, but not always, involve merger-arbitrage trades that are constructed by buying and selling the stocks of two merging companies simultaneously in an effort to create a low-risk profit. During 2016, risk-arb spreads became increasingly bifurcated between the perceived safe, low yielding spreads and the exceptionally wide spreads of deals facing material regulatory risk. While the wide spreads may be tempting to some investors, we found a more prudent and successful approach was to string together lower-yielding higher-probability arb spreads that were not as likely to be challenged by regulators.

Two other trade types that also provided significant contributions to Fund returns were the equity-catalyst driven strategy and the portfolio hedges. The single largest contributor from these two groups was a catalyst-driven position in a gaming and hospitality company that was in the process of being acquired. Not all catalyst-driven trades were successful, with the single largest detractor to the fund being a catalyst-driven trade related to a motion picture production and distribution company that merged with a similar company in 2016.

The most significant contributor by a portfolio hedge was a basket of small cap biotech stocks meant to hedge exposure to the industry. The basket was constructed with companies that have many of the characteristics that we seek to avoid, including a high volatility profile, elevated cash burn rate, non-differentiated product set, and a lengthy timeframe before a data release. Portfolio hedges typically include options, forwards on currencies, indices or commodities, credit default swaps, and interest rate futures. These securities are generally used to hedge unwanted exposures, such as to the equity market, foreign currencies or credit risks, or to help dampen market volatility.

Deep value was the only trade type to detract from performance for the year. The most significant detractor was a specialty restaurant chain that failed in its efforts to turn around its business.

Within the Fund, we seek to have lower volatility than the Benchmark. For the year, Fund volatility was 8.80% versus the Benchmark volatility of 13.29%. We also seek to provide some diversification from the Benchmark. For 2016, the Fund’s correlation to the Benchmark was 0.73.

Looking at the year ahead, continued robust deal activity, a changing interest rate backdrop, and an uncertain political environment all suggest an active 2017 for event-driven investing. With credit spreads approaching historic tights, most of the corporate actions to refinance and restructure debt have taken place. Likewise, with valuations continuing to increase, equity appreciation from organic multiple expansion may be difficult to come by. As such, we expect companies to actively search for potential acquisition targets and strategic alliances to unlock value. This may be especially true with rising rates and renewed interest in industries unshackled from the regulatory burdens.

Thank you for your interest in the Driehaus Event Driven Fund. We appreciate your confidence in our management capabilities.

Sincerely,



K.C. Nelson
Portfolio Manager

Michael Caldwell
*Assistant Portfolio
Manager*

Matt Schoenfeld
*Assistant Portfolio
Manager*

Yoav Sharon
*Assistant Portfolio
Manager*

Performance is historical and does not represent future results.
Please see the following performance page for index definitions.

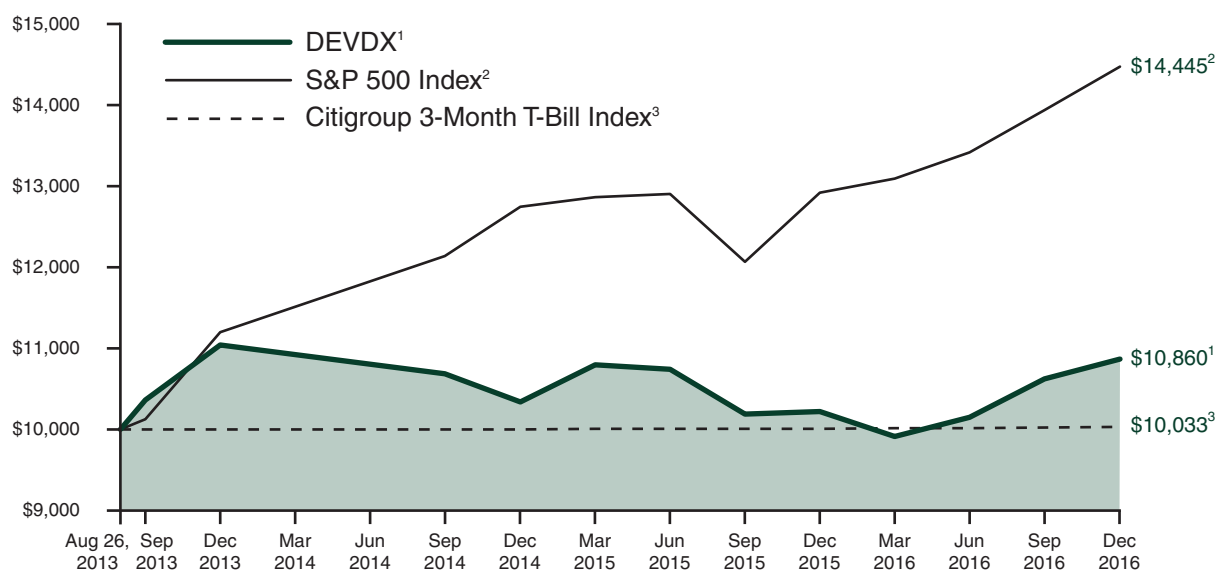


Driehaus Event Driven Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$10,000 investment in the Fund since August 26, 2013 (the date of the Fund's inception), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/16	1 Year	3 Years	Since Inception (08/26/13 - 12/31/16)
Driehaus Event Driven Fund (DEVDX) ¹	6.25%	-0.53%	2.49%
S&P 500 Index ²	11.96%	8.87%	11.60%
Citigroup 3-Month T-Bill Index ³	0.27%	0.11%	0.10%



¹ The returns for the periods reflect fee waivers and/or reimbursements without which performance would have been lower.

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

³ 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 reflect reinvestment of all distributions and changes in market prices.

Driehaus Event Driven Fund
Schedule of Investments
December 31, 2016

	<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>		<i>Shares, Principal Amount, or Number of Contracts</i>	<i>Value</i>
PURCHASED PUT OPTIONS — 0.01%			SPDR S&P Biotech ETF (43,555) \$ (2,578,021)		
Apollo Education Group, Inc., Exercise Price: \$8.00, Expiration Date: January, 2017* 3,750 \$ 18,750			Vanguard REIT ETF (137,000) (11,306,610)		
Wynn Resorts Ltd., Exercise Price: \$55.00, Expiration Date: January, 2017* 1,100 2,200			TOTAL EXCHANGE-TRADED FUNDS (Proceeds \$25,339,929) (25,725,411)		
Total PURCHASED PUT OPTIONS (Premiums paid \$697,552) 20,950			TOTAL INVESTMENT SECURITIES SOLD SHORT (Proceeds \$48,366,788) (19.35)% \$ (49,624,453)		
TOTAL INVESTMENTS (Cost \$220,325,220) 93.26% \$239,198,944					
Other Assets less Liabilities 6.74% 17,283,019					
Net Assets 100.00% \$256,481,963					
SECURITIES SOLD SHORT — (19.35)%					
U.S. GOVERNMENT AND AGENCY SECURITIES — (4.66)%					
United States Treasury Note 1.50%, 8/15/26 \$ (13,000,000) \$ (11,957,478)					
Total U.S. GOVERNMENT AND AGENCY SECURITIES (Proceeds \$12,914,687) (11,957,478)					
COMMON STOCKS — (4.66)%					
Banks — (1.02)%					
BOK Financial Corp. (31,556) (2,620,410)					
Entertainment — (0.46)%					
Eldorado Resorts, Inc.* (68,861) (1,167,194)					
Insurance — (1.30)%					
First American Financial Corp. (91,000) (3,333,330)					
Lodging — (1.88)%					
Boyd Gaming Corp.* (239,000) (4,820,630)					
Total COMMON STOCKS (Proceeds \$10,112,172) (11,941,564)					
EXCHANGE-TRADED FUNDS — (10.03)%					
Consumer Discretionary Select Sector SPDR Fund (77,000) (6,267,800)					
iShares Nasdaq Biotechnology ETF (21,000) (5,572,980)					
			Security Type		
			Percent of Total Net Assets		
			Corporate Bonds 9.67%		
			Common Stocks 81.75%		
			Appraisal Rights 1.82%		
			Convertible Preferred Stocks 0.00%		
			Purchased Call Options 0.01%		
			Purchased Put Options 0.01%		
			Total Investments 93.26%		
			Other Assets less Liabilities 6.74%		
			Total Net Assets 100.00%		
			Percentages are stated as a percent of net assets.		

- * Non-income producing security.
- 1 Variable rate security. Rates disclosed as of December 31, 2016.
- 2 Security is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. Unless otherwise indicated, this security has been determined to be liquid under procedures established by Driehaus Mutual Funds' (the "Trust") Board of Trustees and may be resold in transactions exempt from registration, normally to qualified institutional buyers.
- 3 Security valued at fair value as determined in good faith by Driehaus Capital Management LLC (the "Adviser"), investment adviser to the Fund, in accordance with procedures established by, and under the general supervision of, the Trust's Board of Trustees.
- 4 Security is in default.
- 5 Pursuant to procedures adopted by the Trust's Board of Trustees, this security has been determined to be illiquid by the Adviser.
- 6 All or a portion of this security is pledged as collateral for short sales or derivatives transactions.

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Event Driven Fund
Schedule of Investments
December 31, 2016

Total Return Swaps

Counterparty	Reference Index	Currency	Notional Amount	Pay/Receive Total Return on Reference Index	Financing Rate²	Termination Date	Unrealized Appreciation/ (Depreciation)
Goldman Sachs	Goldman Sachs Custom Biotech Index ³	USD	(65,951)	See Note 1	1-Month USD-LIBOR minus 1.55%	8/23/2017	\$ 10,816
Goldman Sachs	SPDR S&P Biotech ETF ⁴	USD	(80,675)	See Note 1	1-Month USD-LIBOR minus 1.55%	8/29/2017	141,988
TOTAL TOTAL RETURN SWAPS							<u>\$152,804</u>

¹ The Fund pays the financing rate. The Fund receives payment from the counterparty if the value of the total return of the reference index has decreased and makes payment if the value has increased.

² Financing rate is based upon predetermined notional amounts.

³ The Goldman Sachs Custom Biotech Index is a customized index comprised of 24 U.S. biotech equity securities.

⁴ The SPDR S&P Biotech ETF is a customized index comprised of 87 U.S. biotech equity securities.

USD — United States Dollar

FORWARD FOREIGN CURRENCY CONTRACTS

Counterparty	Currency Purchased	Currency Sold	Settlement Date	Value at December 31, 2016	Unrealized Appreciation/ (Depreciation)
Goldman Sachs	USD 9,610,085	EUR 9,000,000	February 1, 2017	\$(9,489,067)	\$121,018
TOTAL FORWARD FOREIGN CURRENCY CONTRACTS				<u>\$(9,489,067)</u>	<u>\$121,018</u>

EUR = Euro

USD = United States Dollar

Notes to Financial Statements are an integral part of this Schedule.

Statements of Assets and Liabilities
December 31, 2016

	<i>Driehaus Active Income Fund</i>	<i>Driehaus Select Credit Fund</i>	<i>Driehaus Event Driven Fund</i>
ASSETS:			
Investment securities, at fair value (cost \$1,940,160,978, \$55,799,623 and \$218,907,573, respectively)	\$1,950,652,436	\$ 52,143,211	\$239,160,494
Purchased options contracts, at fair value (premiums paid \$690,094, \$0 and \$1,417,647, respectively)	64,500	—	38,450
Purchased swaptions contracts, at fair value (premiums paid \$751,484, \$32,515 and \$0, respectively)	3,941,056	170,530	—
Foreign currency, at fair value (cost \$1,081,410, \$0 and \$0, respectively)	1,091,540	—	—
Unrealized appreciation on forward foreign currency contracts	95,076	—	121,018
Unrealized appreciation on open swap contracts	4,843,011	45,944	152,804
Premiums paid on open swap contracts	13,500,092	851,311	—
Cash	238,075,906	11,534,262	27,492,688
Collateral held at custodian for the benefit of brokers	550,702,498	11,100,719	50,590,118
Receivable for investment securities sold	17,924,048	5,444,296	6,767,803
Receivable for fund shares sold	4,604,720	114,715	256,515
Receivable for interest and dividends	17,156,258	729,940	333,687
Receivable from custodian or broker	101,122	—	3,069
Prepaid expenses	58,093	25,138	21,900
TOTAL ASSETS	2,802,810,356	82,160,066	324,938,546
LIABILITIES:			
Payable for investment securities sold short, at fair value (proceeds \$459,394,454, \$11,213,786 and \$48,366,788, respectively)	471,466,673	11,692,346	49,624,453
Foreign currency due to custodian, at fair value (proceeds \$0, \$0 and \$118, respectively)	—	—	118
Unrealized depreciation on open swap contracts	10,036,496	277,565	—
Unrealized depreciation on forward foreign currency contracts	6,098	—	—
Premiums received on open swap contracts	11,046,385	43,913	4,917,141
Payable for investment securities purchased	26,540,678	2,744	13,373,921
Payable for fund shares redeemed	4,778,107	267,098	98,304
Payable to affiliate	1,066,609	51,349	214,690
Payable for interest and dividends on securities sold short	1,833,358	81,985	91,763
Payable for variation margin	573,020	26,669	—
Accrued shareholder services plan fees	381,601	15,603	45,142
Accrued administration and accounting fees	73,838	3,507	15,046
Accrued expenses	180,385	122,006	76,005
TOTAL LIABILITIES	527,983,248	12,584,785	68,456,583
NET ASSETS	\$2,274,827,108	\$ 69,575,281	\$256,481,963
SHARES OUTSTANDING (Unlimited shares authorized, no par value)	223,484,460	8,759,122	24,800,667
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	\$ 10.18	\$ 7.94	\$ 10.34
NET ASSETS CONSISTED OF THE FOLLOWING AT DECEMBER 31, 2016:			
Paid-in-capital	\$2,655,406,521	\$ 247,826,296	\$271,855,821
Undistributed net investment income (loss)	15,419,092	231,621	(582,052)
Undistributed net realized gain (loss) on investments, options, swaptions, securities sold short, futures contracts, swap contracts, forward foreign currency contracts and foreign currency	(393,956,040)	(174,342,203)	(32,681,687)
Net unrealized appreciation (depreciation) on:			
Investments	10,491,458	(3,656,412)	20,252,921
Purchased options contracts	(625,594)	—	(1,379,197)
Purchased swaptions contracts	3,189,572	138,015	—
Securities sold short	(12,072,219)	(478,560)	(1,257,665)
Futures contracts	2,075,218	88,145	—
Swap contracts	(5,193,485)	(231,621)	152,804
Forward foreign currency contracts	88,978	—	121,018
Foreign currency	10,130	—	—
Foreign currency translations	(6,523)	—	—
NET ASSETS	\$2,274,827,108	\$ 69,575,281	\$256,481,963

Notes to Financial Statements are an integral part of these Statements.

Statements of Operations
For the year ended December 31, 2016

	<i>Driebaus Active Income Fund</i>	<i>Driebaus Select Credit Fund</i>	<i>Driebaus Event Driven Fund</i>
INVESTMENT INCOME (LOSS):			
Interest income (net of \$0, \$0 and \$0 of non-reclaimable foreign taxes withheld, respectively)	\$ 89,217,935	\$ 7,955,184	\$ 1,144,075
Dividend income (net of \$299,327, \$44,103 and \$66,596 of non-reclaimable foreign taxes withheld, respectively)	25,710,492	1,605,970	3,741,891
Total investment income	114,928,427	9,561,154	4,885,966
Expenses:			
Investment advisory fees	13,798,762	1,234,720	2,224,879
Shareholder services plan fees	3,940,803	251,106	460,254
Administration and fund accounting fees	927,216	108,038	155,741
Transfer agent fees and expenses	485,563	141,962	74,016
Reports to shareholders	147,898	24,679	55,081
Trustees' fees	176,143	45,337	44,813
Legal fees	79,763	33,351	25,928
Custody fees	88,098	20,218	13,788
Federal and state registration fees	85,420	35,226	34,112
Audit and tax fees	56,350	56,350	60,350
Chief compliance officer fees	16,726	16,726	16,706
Interest on short positions	8,181,823	702,078	112,055
Dividends on short positions	3,563,598	166,050	762,491
Interest expense	2,861,108	221,680	442,492
Miscellaneous	239,871	91,534	38,437
Total expenses	34,649,142	3,149,055	4,521,143
Fees paid indirectly	(90,722)	(2,350)	(44,845)
Net expenses	34,558,420	3,146,705	4,476,298
Net investment income (loss)	80,370,007	6,414,449	409,668
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on transactions from:			
Investments	(78,130,003)	(52,313,762)	666,643
Purchased options contracts	(58,167,386)	(8,276,604)	(8,351,155)
Purchased swaptions contracts	(3,777,314)	(332,995)	—
Securities sold short	12,935,950	4,507,784	(4,518,866)
Written options contracts	37,540,201	5,000,542	768,806
Futures contracts	(1,614,228)	(816,528)	—
Swap contracts	(14,493,100)	(753,617)	2,825,626
Forward foreign currency contracts	2,676,969	201,003	1,477,321
Foreign currency	(1,033,771)	(90,324)	(101,727)
Net realized gain (loss) on investments	(104,062,682)	(52,874,501)	(7,233,352)
Change in net unrealized appreciation (depreciation) on:			
Investments	191,443,965	48,209,219	17,839,105
Purchased options contracts	12,508,452	4,029,613	3,376,357
Purchased swaptions contracts	2,615,484	65,085	—
Securities sold short	(46,923,148)	(6,756,830)	(1,662,166)
Written options contracts	(11,366,446)	(1,674,685)	28,975
Futures contracts	677,974	(63,542)	—
Swap contracts	3,245,505	(265,976)	193,340
Forward foreign currency contracts	(466,705)	(143,306)	106,602
Foreign currency	10,527	328	—
Foreign currency translations	22,258	4,237	(1,548)
Net change in unrealized appreciation (depreciation) on investments	151,767,866	43,404,143	19,880,665
Net realized and unrealized gain (loss) on investments	47,705,184	(9,470,358)	12,647,313
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 128,075,191	\$ (3,055,909)	\$13,056,981

Notes to Financial Statements are an integral part of these Statements.

Statements of Changes in Net Assets

	<i>Driebaus Active Income Fund</i>		<i>Driebaus Select Credit Fund</i>	
	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>
Operations:				
Net investment income (loss)	\$ 80,370,007	\$ 129,591,225	\$ 6,414,449	\$ 29,700,447
Net realized gain (loss) on investments	(104,062,682)	(49,928,535)	(52,874,501)	(76,774,706)
Net change in unrealized appreciation (depreciation) on investments	<u>151,767,866</u>	<u>(104,632,015)</u>	<u>43,404,143</u>	<u>16,286,670</u>
Net increase (decrease) in net assets resulting from operations	<u>128,075,191</u>	<u>(24,969,325)</u>	<u>(3,055,909)</u>	<u>(30,787,589)</u>
Distributions:				
Net investment income	(79,985,655)	(121,665,387)	(6,439,695)	(28,789,661)
Tax return of capital	—	—	(373,121)	—
Total distributions	<u>(79,985,655)</u>	<u>(121,665,387)</u>	<u>(6,812,816)</u>	<u>(28,789,661)</u>
Capital share transactions:				
Proceeds from shares sold	651,023,207	969,148,795	24,124,615	211,986,482
Reinvested distributions	44,649,390	62,836,403	4,772,281	19,994,716
Cost of shares redeemed	<u>(1,344,927,935)</u>	<u>(1,992,144,093)</u>	<u>(250,376,756)</u>	<u>(671,187,778)</u>
Net increase (decrease) from capital transactions	<u>(649,255,338)</u>	<u>(960,158,895)</u>	<u>(221,479,860)</u>	<u>(439,206,580)</u>
Total increase (decrease) in net assets	<u>(601,165,802)</u>	<u>(1,106,793,607)</u>	<u>(231,348,585)</u>	<u>(498,783,830)</u>
NET ASSETS:				
Beginning of period	<u>\$ 2,875,992,910</u>	<u>\$ 3,982,786,517</u>	<u>\$ 300,923,866</u>	<u>\$ 799,707,696</u>
End of period	<u>\$ 2,274,827,108</u>	<u>\$ 2,875,992,910</u>	<u>\$ 69,575,281</u>	<u>\$ 300,923,866</u>
Undistributed net investment income (loss)	<u>\$ 15,419,092</u>	<u>\$ 27,682,736</u>	<u>\$ 231,621</u>	<u>\$ 1,254,922</u>
Capital share transactions in shares:				
Shares sold	65,691,151	94,017,920	3,084,360	23,649,209
Reinvested distributions	4,516,230	6,120,243	610,118	2,231,124
Shares redeemed	<u>(135,715,627)</u>	<u>(193,457,904)</u>	<u>(31,988,859)</u>	<u>(76,243,162)</u>
Net increase (decrease)	<u>(65,508,246)</u>	<u>(93,319,741)</u>	<u>(28,294,381)</u>	<u>(50,362,829)</u>

Notes to Financial Statements are an integral part of these Statements.

Statements of Changes in Net Assets

<i>Driebaus Event Driven Fund</i>	
<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>
\$ 409,668	\$ 1,016,295
(7,233,352)	(17,815,529)
<u>19,880,665</u>	<u>11,626,814</u>
<u>13,056,981</u>	<u>(5,172,420)</u>
(2,312,787)	(1,333,974)
(736,638)	—
<u>(3,049,425)</u>	<u>(1,333,974)</u>
95,816,829	158,435,485
2,654,029	1,116,574
<u>(84,452,324)</u>	<u>(86,889,627)</u>
<u>14,018,534</u>	<u>72,662,432</u>
<u>24,026,090</u>	<u>66,156,038</u>
<u>\$ 232,455,873</u>	<u>\$166,299,835</u>
<u>\$ 256,481,963</u>	<u>\$232,455,873</u>
<u>\$ (582,052)</u>	<u>\$ 6,946</u>
9,701,497	15,452,822
258,174	107,673
<u>(8,751,928)</u>	<u>(8,576,682)</u>
<u>1,207,743</u>	<u>6,983,813</u>

Notes to Financial Statements are an integral part of these Statements.

Driehaus Active Income Fund
Financial Highlights

	<i>For the year ended December 31, 2016</i>	<i>For the year ended December 31, 2015</i>	<i>For the year ended December 31, 2014</i>	<i>For the year ended December 31, 2013</i>	<i>For the year ended December 31, 2012</i>
Net asset value, beginning of period	\$ 9.95	\$ 10.42	\$ 10.77	\$ 10.67	\$ 10.01
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income ¹	0.32	0.38	0.27	0.30	0.44
Net realized and unrealized gain (loss) on investments	0.23	(0.49)	(0.36)	0.02	0.49
Total from investment operations	0.55	(0.11)	(0.09)	0.32	0.93
LESS DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.32)	(0.36)	(0.26)	(0.22)	(0.27)
Net realized gain	—	—	—	—	—
Total distributions	(0.32)	(0.36)	(0.26)	(0.22)	(0.27)
Net asset value, end of period	<u>\$ 10.18</u>	<u>\$ 9.95</u>	<u>\$ 10.42</u>	<u>\$ 10.77</u>	<u>\$ 10.67</u>
Total Return	5.63 %	(1.07)%	(0.87)%	2.99 %	9.34 %
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, end of period (in 000's)	\$2,274,827	\$2,875,993	\$3,982,787	\$4,607,803	\$2,867,021
Ratio of total expenses before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.38 %	1.05 %	1.05 %	1.14 %	1.31 %
Ratio of total expenses net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.38 % ²	1.05 %	1.05 %	1.14 %	1.31 %
Ratio of expenses (excluding dividends and interest on short positions and interest expense) before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	0.80 %	0.78 %	0.77 %	0.79 %	0.91 %
Ratio of expenses (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	0.80 % ²	0.78 %	0.77 %	0.79 %	0.91 %
Ratio of net investment income (including dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	3.20 %	3.69 %	2.51 %	2.80 %	4.22 %
Ratio of net investment income (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	3.78 %	3.96 %	2.79 %	3.15 %	4.63 %
Portfolio turnover rate	115 %	76 %	43 %	48 %	42 %

† Represents less than \$0.01 per share.

¹ Calculated based on average shares outstanding.

² Such ratios are net of fees paid indirectly (see Note C in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Select Credit Fund
Financial Highlights

	<i>For the year ended December 31, 2016</i>	<i>For the year ended December 31, 2015</i>	<i>For the year ended December 31, 2014</i>	<i>For the year ended December 31, 2013</i>	<i>For the year ended December 31, 2012</i>
Net asset value, beginning of period	\$ 8.12	\$ 9.15	\$ 10.17	\$ 9.87	\$ 9.57
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income ¹	0.33	0.42	0.32	0.32	0.58
Net realized and unrealized gain (loss) on investments	(0.13)	(1.04)	(0.98)	0.33	0.21
Total from investment operations	<u>0.20</u>	<u>(0.62)</u>	<u>(0.66)</u>	<u>0.65</u>	<u>0.79</u>
LESS DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.36)	(0.41)	(0.32)	(0.31)	(0.49)
Net realized gain	—	—	(0.04)	(0.04)	—
Tax return of capital	(0.02)	—	—	—	—
Total distributions	<u>(0.38)</u>	<u>(0.41)</u>	<u>(0.36)</u>	<u>(0.35)</u>	<u>(0.49)</u>
Net asset value, end of period	<u>\$ 7.94</u>	<u>\$ 8.12</u>	<u>\$ 9.15</u>	<u>\$ 10.17</u>	<u>\$ 9.87</u>
Total Return	2.59 %	(7.13)%	(6.56)%	6.62 %	8.37 %
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, end of period (in 000's)	\$69,575	\$300,924	\$799,708	\$1,023,435	\$325,123
Ratio of total expenses before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	2.04 %	1.40 %	1.32 %	1.81 %	1.69 %
Ratio of total expenses net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	2.04 % ²	1.40 %	1.32 %	1.81 %	1.69 %
Ratio of expenses (excluding dividends and interest on short positions and interest expense) before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.33 %	1.16 %	1.12 %	1.13 %	1.23 %
Ratio of expenses (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.33 % ²	1.16 %	1.12 %	1.13 %	1.23 %
Ratio of net investment income (including dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	4.15 %	4.68 %	3.24 %	3.17 %	5.82 %
Ratio of net investment income (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	4.86 %	4.92 %	3.43 %	3.85 %	6.28 %
Portfolio turnover rate	127 %	77 %	79 %	54 %	78 %

¹ Calculated based on average shares outstanding.

² Such ratios are net of fees paid indirectly (see Note C in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Event Driven Fund
Financial Highlights

	<i>For the year ended December 31, 2016</i>	<i>For the year ended December 31, 2015</i>	<i>For the year ended December 31, 2014</i>	<i>For the period August 26, 2013* through December 31, 2013</i>
Net asset value, beginning of period	\$ 9.85	\$ 10.01	\$ 10.74	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income (loss) ¹	0.02	0.05	(0.02)	(0.06)
Net realized and unrealized gain (loss) on investments	0.59	(0.15)	(0.67)	1.09
Total from investment operations	0.61	(0.10)	(0.69)	1.03
LESS DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(0.09)	(0.06)	—	—
Net realized gain	—	—	(0.04)	(0.29)
Tax return of capital	(0.03)	—	—	—
Total distributions	(0.12)	(0.06)	(0.04)	(0.29)
Net asset value, end of period	\$ 10.34	\$ 9.85	\$ 10.01	\$ 10.74
Total Return	6.25 %	(1.08)%	(6.35)%	10.35 % ³
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (in 000's)	\$256,482	\$232,456	\$166,300	\$42,033
Ratio of total expenses before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	2.03 %	1.86 %	1.80 %	3.03 % ⁴
Ratio of total expenses net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	2.01 % ²	1.86 %	1.80 %	3.00 % ⁴
Ratio of expenses (excluding dividends and interest on short positions and interest expense) before reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.44 %	1.43 %	1.35 %	2.03 % ⁴
Ratio of expenses (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	1.42 % ²	1.43 %	1.35 %	2.00 % ⁴
Ratio of net investment income (including dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	0.19 %	0.45 %	(0.17)%	(1.75)% ⁴
Ratio of net investment income (excluding dividends and interest on short positions and interest expense) net of reimbursements, waivers, recaptures and/or fees paid indirectly to average net assets	0.78 %	0.89 %	0.28 %	(0.75)% ⁴
Portfolio turnover rate	246 %	400 %	315 %	104 % ³

* Fund commenced operations on August 26, 2013.

¹ Calculated based on average shares outstanding.

² Such ratios are net of fees paid indirectly (see Note C in the Notes to Financial Statements).

³ Not annualized.

⁴ Annualized.

Notes to Financial Statements are an integral part of this Schedule.

Driehaus Mutual Funds Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Driehaus Mutual Funds (the “Trust”) is an open-end registered management investment company under the Investment Company Act of 1940, as amended, organized as a Delaware statutory trust, with eight separate series currently in operation. The Trust was organized under an Agreement and Declaration of Trust dated May 31, 1996, as subsequently amended and restated as of June 6, 2013 and amended as of June 4, 2015, and may issue an unlimited number of full and fractional units of beneficial interest (shares) without par value. The Driehaus Active Income Fund (the “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 “Acquired Fund”) pursuant to a plan of reorganization approved by the shareholders of the Acquired Fund. The reorganization was accomplished by a tax-free exchange of Acquired Fund shares for an equal number of shares of the Active Income Fund as of June 1, 2009. The Active Income Fund seeks to provide current income and capital appreciation. The Active Income Fund was closed to new investors as of March 1, 2011, and was re-opened to new investors as of November 30, 2016. The Driehaus Select Credit Fund (the “Select Credit Fund”) commenced operations on September 30, 2010. The Select Credit Fund seeks to provide positive returns under a variety of market conditions. The Select Credit Fund was closed to new investors as of January 31, 2014, and was re-opened to new investors as of June 7, 2016. The Driehaus Event Driven Fund (the “Event Driven Fund” and together with the Active Income Fund and Select Credit Fund, the “Funds”) commenced operations on August 26, 2013, following the receipt of the assets and liabilities of the Driehaus Credit Opportunities Fund, L.P. The Event Driven Fund seeks to provide positive returns over full market cycles.

Significant Accounting Policies

The presentation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses. Actual results may differ from those estimates.

The Funds, which are investment companies within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, follow accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, *Financial Services-Investment Companies*.

Securities Valuation

Investments in securities traded on a national securities exchange, including exchange-traded futures and options, are valued at the last reported sales or settlement price on the day of valuation and are generally classified as level 1. Exchange-traded securities for which no sale was reported are valued at the mean of the closing bid and ask prices from the exchange the security is primarily traded on and are generally classified as level 1. Long-term fixed income securities are valued at the representative quoted bid price when held long or the representative quoted ask price if sold short or, if such prices are not available, at prices for securities of comparable maturity, quality and type or as determined by an independent pricing service. The pricing service provider may employ methodologies that utilize actual market transactions, broker-dealer supplied valuations or other techniques. Such techniques generally consider factors such as composite security prices, yields, maturities, call features, credit ratings and developments relating to specific securities, in arriving at valuations. Fixed income securities are generally classified as level 2. Short-term investments with remaining maturities of 60 days or less at the time of purchase are stated at amortized cost, which approximates fair value. If amortized cost does not approximate fair value, short-term securities are reported at fair value. These securities are generally classified as level 2. Swaps, forward foreign currency contracts and other financial derivatives are valued daily, primarily by an independent pricing service using pricing models and are generally classified as level 2. The pricing models use inputs that are observed from actively quoted markets such as issuer details, indices, spreads, interest rates, yield curves, dividends and exchange rates. If valuations are not available from the independent pricing service or values received are deemed not representative of market value, values will be obtained from a third party broker-dealer or counterparty. Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

from an independent pricing service. Securities for which market quotations are not readily available are valued at fair value as determined in good faith in accordance with procedures established by or under the direction of the Trust's Board of Trustees and are generally classified as level 3. Under these procedures, the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant information for the investment to determine the fair value of the investment. It is possible that the estimated values may differ significantly from the values that would have been used had a ready market existed for the investments, and such differences could be material.

Each Fund is subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

Level 1 — quoted prices for active markets for identical securities

Level 2 — significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The Funds adopted the FASB amendments to authoritative guidance which require the Funds to disclose details of transfers in and out of Level 1 and Level 2 measurements and Level 2 and Level 3 measurements and the reasons for the transfers. During the year ended December 31, 2016, there were no transfers between levels for the Active Income Fund, Select Credit Fund and Event Driven Fund. It is the Funds' policy to recognize transfers into and out of all levels at the end of the reporting period.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Active Income Fund's investments as of December 31, 2016:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset-Backed Securities	\$ —	\$ 224,544	\$—	\$ 224,544
Bank Loans	—	530,628,855	—	530,628,855
Common Stocks				
Auto Manufacturers	18,093,248	—	—	18,093,248
Commercial Services	74,096,322	—	—	74,096,322
Electric	34,422,017	—	—	34,422,017
Entertainment	217,341,645	—	—	217,341,645
Insurance	76,766,101	—	—	76,766,101
Investment Companies	—	2,542,716	—	2,542,716
Media	94,350,228	—	—	94,350,228
Pharmaceuticals	11,517,789	—	—	11,517,789
Restaurants	551,658	—	—	551,658
Convertible Corporate Bonds	—	85,350,293	—	85,350,293
Convertible Preferred Stocks				
Auto Manufacturers	—	—	0	0
Environmental Control	23,726,250	—	—	23,726,250
Investment Companies	—	25,703,125	—	25,703,125
Corporate Bonds	—	712,227,234	—	712,227,234
Preferred Stocks				
Banks	36,284,179	—	—	36,284,179

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

<u>Assets (continued)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Purchased Put Options	\$ 64,500	\$ —	\$—	\$ 64,500
U.S. Government and Agency Securities	—	6,826,232	—	6,826,232
Total	<u>\$ 587,213,937</u>	<u>\$1,363,502,999</u>	<u>\$ 0</u>	<u>\$1,950,716,936</u>
<u>Liabilities</u>				
Common Stocks Sold Short				
Building Materials	\$ (11,065,340)	\$ —	\$—	\$ (11,065,340)
Diversified Financial Services	(3,236,931)	—	—	(3,236,931)
Entertainment	(10,431,505)	—	—	(10,431,505)
Environmental Control	(17,411,040)	—	—	(17,411,040)
Insurance	(24,254,554)	—	—	(24,254,554)
Internet	(21,601,260)	—	—	(21,601,260)
Lodging	(17,648,750)	—	—	(17,648,750)
Media	(105)	—	—	(105)
Semiconductors	(20,656,300)	—	—	(20,656,300)
Telecommunications	(30,852,443)	—	—	(30,852,443)
Corporate Bonds Sold Short	—	(127,616,970)	—	(127,616,970)
Exchange-Traded Funds Sold Short	(159,731,630)	—	—	(159,731,630)
U.S. Government and Agency Securities Sold Short	—	(26,959,845)	—	(26,959,845)
Total	<u>\$(316,889,858)</u>	<u>\$ (154,576,815)</u>	<u>\$—</u>	<u>\$ (471,466,673)</u>
<u>Other Financial Instruments*</u>				
Credit Default Swaps — Assets	\$ —	\$ 18,343,103	\$—	\$ 18,343,103
Credit Default Swaps — Liabilities	—	(20,447,949)	—	(20,447,949)
Forward Foreign Currency Contracts — Assets	—	95,076	—	95,076
Forward Foreign Currency Contracts — Liabilities	—	(6,098)	—	(6,098)
Futures Contracts	2,075,218	—	—	2,075,218
Interest Rate Swaptions	—	3,941,056	—	3,941,056
Total Return Swaps — Liabilities	—	(634,932)	—	(634,932)
Total Other Financial Instruments	<u>\$ 2,075,218</u>	<u>\$ 1,290,256</u>	<u>\$—</u>	<u>\$ 3,365,474</u>

* Other financial instruments are swap, forward foreign currency and futures contracts and interest rate swaptions, which are detailed in the Schedule of Investments.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value in the Active Income Fund:

	<u>Investments, at Value</u>
Balance as of December 31, 2015	\$ 0
Realized gain (loss)	(4,801,050)
Change in net unrealized appreciation (depreciation)	4,801,050
Purchases	—
Sales	—
Transfers in and/or out of Level 3	—
Balance as of December 31, 2016	<u>\$ 0</u>

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

As of December 31, 2016, the Active Income Fund held Level 3 investments in General Motors Corp. senior convertible preferred stock, valued at fair value as determined in good faith in accordance with procedures established by or under the direction of the Trust's Board of Trustees. As a part of the ongoing restructuring of General Motors, any value previously ascribed to these holdings has been transferred to the General Motors Co. Motors Liquidation Co. GUC Trust common stock, which is freely and actively traded, and therefore the senior convertible preferred stock was fair valued at \$0.

The following is a summary of the inputs used to value the Select Credit Fund's investments as of December 31, 2016:

Assets	Level 1	Level 2	Level 3	Total
Bank Loans	\$ —	\$11,441,071	\$—	\$ 11,441,071
Common Stocks				
Electric	873,425	—	—	873,425
Entertainment	11,033,724	—	—	11,033,724
Media	2,558,787	—	—	2,558,787
Convertible Corporate Bonds	—	18,000	—	18,000
Convertible Preferred Stocks				
Auto Manufacturers	—	—	0	0
Corporate Bonds	—	26,218,204	—	26,218,204
Total	<u>\$14,465,936</u>	<u>\$37,677,275</u>	<u>\$ 0</u>	<u>\$ 52,143,211</u>
Liabilities				
Common Stocks Sold Short				
Entertainment	\$ (560,696)	\$ —	\$—	\$ (560,696)
Lodging	(302,550)	—	—	(302,550)
Telecommunications	(2,415,946)	—	—	(2,415,946)
Corporate Bonds Sold Short	—	(6,944,229)	—	(6,944,229)
Exchange-Traded Funds Sold Short	<u>(1,468,925)</u>	<u>—</u>	<u>—</u>	<u>(1,468,925)</u>
Total	<u>\$ (4,748,117)</u>	<u>\$ (6,944,229)</u>	<u>\$—</u>	<u>\$ (11,692,346)</u>
Other Financial Instruments*				
Credit Default Swaps — Assets	\$ —	\$ 897,255	\$—	\$ 897,255
Credit Default Swaps — Liabilities	—	(284,518)	—	(284,518)
Futures Contracts	88,145	—	—	88,145
Interest Rate Swaptions	—	170,530	—	170,530
Total Return Swaps — Liabilities	<u>—</u>	<u>(36,960)</u>	<u>—</u>	<u>(36,960)</u>
Total Other Financial Instruments	<u>\$ 88,145</u>	<u>\$ 746,307</u>	<u>\$—</u>	<u>\$ 834,452</u>

* Other financial instruments are swap and futures contracts and interest rate swaptions, which are detailed in the Schedule of Investments.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value in the Select Credit Fund:

	Investments, at Value
Balance as of December 31, 2015	\$ 0
Realized gain (loss)	(4,951,494)
Change in net unrealized appreciation (depreciation)	4,951,494
Purchases	—
Sales	—
Transfers in and/or out of Level 3	—
Balance as of December 31, 2016	\$ 0

As of December 31, 2016, the Select Credit Fund held Level 3 investments in General Motors Corp. senior convertible preferred stock, which was valued in the same manner as described above for the Active Income Fund.

The following is a summary of the inputs used to value the Event Driven Fund's investments as of December 31, 2016:

Assets	Level 1	Level 2	Level 3	Total
Common Stocks				
Aerospace & Defense	\$ 18,642,970	\$ —	\$ —	\$ 18,642,970
Biotechnology	14,011,500	—	—	14,011,500
Chemicals	6,035,050	—	—	6,035,050
Commercial Services	29,433,165	—	—	29,433,165
Electric	8,739,716	—	—	8,739,716
Entertainment	58,235,398	—	—	58,235,398
Healthcare — Services	4,836,230	—	—	4,836,230
Insurance	17,119,042	—	—	17,119,042
Media	32,896,771	—	—	32,896,771
Pharmaceuticals	7,348,084	—	—	7,348,084
Savings & Loans	12,395,698	—	—	12,395,698
Appraisal Rights	—	—	4,657,500	4,657,500
Convertible Preferred Stocks				
Auto Manufacturers	—	—	0	0
Corporate Bonds	—	24,809,370	—	24,809,370
Purchased Call Options	17,500	—	—	17,500
Purchased Put Options	20,950	—	—	20,950
Total	\$209,732,074	\$24,809,370	\$4,657,500	\$239,198,944
Liabilities				
Common Stocks Sold Short				
Banks	\$ (2,620,410)	\$ —	\$ —	\$ (2,620,410)
Entertainment	(1,167,194)	—	—	(1,167,194)
Insurance	(3,333,330)	—	—	(3,333,330)
Lodging	(4,820,630)	—	—	(4,820,630)

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

<u>Liabilities (continued)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange-Traded Funds Sold Short	\$(25,725,411)	\$ —	\$—	\$(25,725,411)
U.S. Government & Agency Securities Sold Short	—	(11,957,478)	—	(11,957,478)
Total	<u>\$(37,666,975)</u>	<u>\$(11,957,478)</u>	<u>\$—</u>	<u>\$(49,624,453)</u>
<u>Other Financial Instruments*</u>				
Total Return Swaps — Asset	\$ —	\$ 152,804	\$—	\$ 152,804
Forward Foreign Currency Contracts — Assets	—	121,018	—	121,018
Total Other Financial Instruments	<u>\$ —</u>	<u>\$ 273,822</u>	<u>\$—</u>	<u>\$ 273,822</u>

* Other financial instruments are swap and forward foreign currency contracts, which are detailed in the Schedule of Investments.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value in the Event Driven Fund:

	<u>Investments, at Value</u>
Balance as of December 31, 2015	\$ 0
Realized gain (loss)	—
Change in net unrealized appreciation (depreciation)	—
Purchases	—
Sales	—
Transfers in and/or out of Level 3	<u>4,657,500</u>
Balance as of December 31, 2016	<u>\$4,657,500</u>

As of December 31, 2016, the Event Driven Fund held Level 3 investments in General Motors Corp. senior convertible preferred stock, which were valued in the same manner as described above for the Active Income Fund.

As of December 31, 2016, Event Driven Fund held appraisal rights in Press Ganey Holdings, Inc. common stock (“Press Ganey”) under § 262 of the Delaware General Corporation Law (“DGCL”), which are classified as Level 3 investments. The appraisal rights are valued at fair value as determined in good faith in accordance with procedures established by or under the direction of the Trust’s Board of Trustees. Press Ganey was acquired by EQT Equity Fund EQT VII, part of the global private equity group EQT, on October 21, 2016 at a price of \$40.50 per share in cash. The Event Driven Fund did not tender its shares of Press Ganey in exchange for the merger consideration and instead has filed a petition for appraisal of these shares in the Court of Chancery of the State of Delaware requesting that the court determine the fair value of these shares. DGCL requires Press Ganey to pay Event Driven Fund the fair value of its shares, as determined by the Delaware Court of Chancery, plus interest accrued from the effective date of the merger at 5 percent over the Federal Reserve discount rate. As such, the fair value price of the shares has been determined to be the merger price of \$40.50 and interest is being accrued based on the total fair value of the appraisal rights.

Securities Sold Short

The Funds are engaged in selling securities short, which obligates them to replace a borrowed security by purchasing it at market price at the time of replacement. Each Fund incurs a loss if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. Each Fund realizes a gain if the price of the security declines between those dates. Gains are limited to the price at which the Fund sold the security short, while losses are potentially unlimited in size.

The Funds are required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale and the Fund must maintain a deposit with the broker consisting of cash and securities having a value equal to a specified percentage of the value of the securities sold short. Such deposit is included in “Collateral held at custodian

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

for the benefit of brokers” on the Statements of Assets and Liabilities. Each Fund is obligated to pay any dividends or interest due on securities sold short. Such dividends and interest are recorded as an expense to the Funds on the Statements of Operations.

Federal Income Taxes

The Funds’ policy is to comply with the requirements of Subchapter M of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all their taxable income to their shareholders. Therefore, no Federal income tax provision is required.

The FASB’s “Accounting for Uncertainty in Income Taxes” (“Tax Statement”) requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds’ tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management has evaluated the implications of the Tax Statement and all of the uncertain tax positions and has determined that no liability is required to be recorded in the financial statements as of December 31, 2016. The Funds file tax returns with the U.S. Internal Revenue Service and various states. Taxable years ending 2016, 2015, 2014 and 2013 remain subject to examination by taxing authorities.

For Federal income tax purposes, capital loss carryforwards represent net capital losses of a fund that may be carried forward and applied against future net realized gains. On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 was enacted to modernize several of the Federal income and excise tax provisions related to regulated investment companies. Under pre-enactment law, capital losses could be carried forward for up to eight years, and were required to be carried forward as short-term capital losses, irrespective of the character of the original loss. New net capital losses (those earned in taxable years beginning after December 22, 2010) may be carried forward indefinitely and must retain the character of the original loss.

At December 31, 2016, gross unrealized appreciation and depreciation on investments, based on cost for Federal income tax purposes, were as follows:

	Active Income Fund	Select Credit Fund	Event Driven Fund
Cost of investments	\$1,950,262,610	\$55,831,134	\$221,826,118
Gross unrealized appreciation	\$ 84,132,502	\$ 2,168,708	\$ 21,637,825
Gross unrealized depreciation	(83,678,176)	(5,856,631)	(4,264,999)
Net unrealized appreciation (depreciation) on investments	\$ 454,326	\$(3,687,923)	\$ 17,372,826

The difference between cost amounts for financial statement and Federal income tax purposes is due primarily to the tax deferral of losses on wash sales.

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP.

For the year ended December 31, 2016, reclassifications were recorded to undistributed net investment income, undistributed net realized gain and paid-in capital for any permanent tax differences. These reclassifications relate primarily to the differing tax treatment of income from paydowns and swaps, return of capital and capital gain distributions on real estate investment trusts and regulated investment companies and foreign currency gains and losses. Results of operations and net assets were not affected by these reclassifications.

	Active Income Fund	Select Credit Fund	Event Driven Fund
Paid-in capital	\$ 2,997,831	\$(374,614)	\$ (736,638)
Undistributed net investment income (loss)	(12,647,996)	(624,934)	2,050,759
Undistributed net realized gain (loss) on investments, futures, swap contracts and foreign currency	9,650,165	999,548	(1,314,121)

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The tax character of distributions paid were as follows:

Active Income Fund		
Distributions paid from:	January 1, 2016 to December 31, 2016	January 1, 2015 to December 31, 2015
Ordinary income	\$79,985,655	\$121,665,387
Total distributions paid	<u>\$79,985,655</u>	<u>\$121,665,387</u>
Select Credit Fund		
Distributions paid from:	January 1, 2016 to December 31, 2016	January 1, 2015 to December 31, 2015
Ordinary income	\$ 6,439,695	\$ 28,789,661
Taxable return of capital distribution	373,121	—
Total distributions paid	<u>\$ 6,812,816</u>	<u>\$ 28,789,661</u>
Event Driven Fund		
Distributions paid from:	January 1, 2016 to December 31, 2016	January 1, 2015 to December 31, 2015
Ordinary income	\$ 2,312,787	\$ 1,333,974
Taxable return of capital distribution	736,638	—
Total distributions paid	<u>\$ 3,049,425</u>	<u>\$ 1,333,974</u>

As of December 31, 2016, the components of accumulated earnings (deficit) were as follows:

	Active Income Fund	Select Credit Fund	Event Driven Fund
Undistributed ordinary income	\$ 10,314,585	\$ —	\$ —
Undistributed long-term capital gains	—	—	—
Accumulated earnings	10,314,585	—	—
Accumulated capital and other losses	(380,505,012)	(174,219,610)	(30,787,295)
Unrealized appreciation (depreciation) on securities sold short, swaps, forwards, futures, and currency	(10,843,312)	(343,482)	(1,959,389)
Unrealized appreciation (depreciation) on investments	454,326	(3,687,923)	17,372,826
Total accumulated earnings (deficit)	<u>\$(380,579,413)</u>	<u>\$(178,251,015)</u>	<u>\$(15,373,858)</u>

As of December 31, 2016, the Funds had net capital loss carryforwards to offset future net capital gains, if any, to the extent provided by Treasury regulations:

	Not Subject to Expiration	
	Short-Term	Long-Term
Active Income Fund	\$188,535,429	\$191,969,583
Select Credit Fund	73,356,717	100,862,893
Event Driven Fund	23,939,818	6,539,247

Qualified late-year losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of the Funds' following taxable year. As of December 31, 2016, the Funds had the following qualified late-year ordinary losses:

	Late-Year Ordinary Losses
Active Income Fund	\$ —
Select Credit Fund	—
Event Driven Fund	308,230

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

Foreign Currency Translation

The value of securities, currencies and other assets and liabilities not denominated in U.S. dollars are translated into U.S. dollar values based upon the current rates of exchange on the date of the Funds' valuations.

Net realized foreign exchange gains or losses which are reported by the Funds result from currency gains and losses on transaction hedges arising from changes in exchange rates between the trade and settlement dates on forward contract transactions, and the difference between the amounts accrued for dividends, interest, and foreign taxes and the amounts actually received or paid in U.S. dollars for these items. Net unrealized foreign exchange gains and losses result from changes in the U.S. dollar value of assets and liabilities (other than investments in securities), which are denominated in foreign currencies, as a result of changes in exchange rates.

Net realized foreign exchange gains or losses on portfolio hedges result from the use of forward contracts to hedge portfolio positions denominated or quoted in a particular currency in order to reduce or limit exposure in that currency. The Active Income Fund, Select Credit Fund and Event Driven Fund held portfolio hedges as of December 31, 2016 as disclosed in the Schedule of Investments.

The Funds do not isolate that portion of the results of operations which results from fluctuations in foreign exchange rates on investments. These fluctuations are included with the net realized gain (loss) on investments and the net change in unrealized appreciation (depreciation) on investments.

Indemnifications

Under the Trust's organizational documents, the officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust enters into contracts that provide general indemnifications to other parties. A Fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against a Fund that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Other

The Trust records security transactions based on trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are accreted and amortized over the lives of the respective securities using the effective yield method. Withholding taxes on foreign dividends and interest have been provided for in accordance with the Trust's understanding of the applicable country's tax rules and rates.

Pursuant to the terms of certain of the senior unsecured loan agreements, the Funds may have unfunded loan commitments, which are callable on demand. Each Fund will have available with its custodian, cash and/or liquid securities having an aggregate value at least equal to the amount of the unfunded senior loan commitments. At December 31, 2016, the Active Income Fund, Select Credit Fund and Event Driven Fund had no unfunded senior loan commitments.

With respect to the senior loans held in each Fund's portfolio, the Funds may: 1) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If a Fund purchases a participation of a senior loan interest, the Fund would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the borrower. As such, the Fund not only assumes the credit risk of the borrower, but also that of the selling participant or other persons interpositioned between the Fund and the borrower. At December 31, 2016, the Funds had no such outstanding senior loan participation commitments.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

B. INVESTMENTS IN DERIVATIVES

Each Fund uses derivative instruments such as swaps, futures, options, swaptions and forward foreign currency contracts in connection with their respective investment strategies. For the year ended December 31, 2016, the Active Income Fund and Select Credit Fund primarily utilized: 1) credit default swaps as alternatives to direct investments to manage exposure to specific sectors/markets/industries and/or credit events and manage volatility; 2) total return swaps to gain exposure to certain sectors and manage volatility; 3) futures to hedge their interest rate and/or commodity risk and manage volatility; 4) options to hedge downside risk and manage volatility; and 5) forward foreign currency contracts to manage currency risk in portfolio holdings. For the year ended December 31, 2016, the Event Driven Fund primarily utilized: 1) total return swaps to manage exposure to certain sectors; 2) options to both hedge exposure and provide exposure to certain market segments or specific securities; and 3) forward foreign currency contracts to manage currency risk in portfolio holdings. Detail regarding each derivative type is included below.

Swap Contracts

The Funds are subject to credit risk, volatility risk and interest rate risk exposure in the normal course of pursuing their investment objectives. The Funds engage in various swap transactions, including forward rate agreements and interest rate, currency, volatility, index and total return swaps, primarily to manage duration and yield curve risk, or as alternatives to direct investments.

Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Funds may elect to pay a fixed rate and receive a floating rate or receive a fixed rate and pay a floating rate on a notional principal amount. The net interest received or paid on interest rate swap agreements is accrued daily as interest income/expense. Interest rate swaps are marked-to-market daily using fair value estimates provided by an independent pricing service. Changes in value, including accrued interest, are recorded as unrealized appreciation (depreciation). Unrealized appreciation is reported as an asset and unrealized depreciation is reported as a liability. The change in value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gains or losses. Gains or losses are realized upon termination of the contracts. The risk of loss under a swap contract may exceed the amount recorded as an asset or a liability.

Total return swap contracts are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to hedge sector exposure and to manage exposure to specific sectors or industries and/or to gain exposure to specific markets/countries and to specific sectors/industries. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty. Total return swap contracts are marked to market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss. Payments received or made are recorded as realized gains or losses. Gains or losses are realized upon termination of the contracts. Each Fund's maximum risk of loss from counterparty risk is the fair value of the contract.

Volatility swaps are forward contracts on the future realized volatility of an underlying instrument. Volatility swaps are generally used to speculate on future volatility levels, trade the spread between realized and implied volatility or hedge volatility exposure of other positions. Changes in value are recorded as unrealized appreciation (depreciation). Unrealized gains are reported as an asset and unrealized losses are reported as a liability. The change in value of swaps is reported as unrealized gains or losses. Gains or losses are realized upon termination of the contracts. The risk of loss under a volatility swap contract is dependent upon the volatility of the underlying instrument.

Under the terms of a credit default swap contract, one party acts as a guarantor receiving a periodic payment that is a fixed percentage applied to a notional amount. In return, the party agrees to purchase the notional amount of the underlying instrument, at par, if a credit event occurs during the term of the contract. Each Fund may enter into credit default swaps in which the Fund acts as guarantor (a seller of protection), and may enter into credit default swaps in which the counterparty acts as guarantor (a buyer of protection). Premiums paid to or by the Funds are accrued daily and included in realized gain (loss) on swaps. The contracts are marked-to-market daily using fair value estimates provided by an independent pricing service.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

Changes in value are recorded as unrealized appreciation (depreciation). Unrealized gains are reported as an asset and unrealized losses are reported as a liability. The change in value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps is reported as unrealized gains or losses. Gains or losses are realized upon termination of the contracts. The risk of loss under a swap contract may exceed the amount recorded as an asset or a liability. The notional amount of a swap contract is the reference amount pursuant to which the counterparties make payments. For swaps in which the referenced obligation is an index, in the event of default of any debt security included in the corresponding index, the Fund pays or receives the percentage of the corresponding index that the defaulted security comprises (1) multiplied by the notional value and (2) multiplied by the ratio of one minus the ratio of the market value of the defaulted debt security to its par value. The maximum exposure to loss of the notional value as a seller of credit default swaps outstanding at December 31, 2016 for the Active Income Fund, Select Credit Fund and Event Driven Fund was 80,000,000 Euros, 15,000,000 Euros and \$0, respectively.

Risks associated with swap contracts include changes in the returns of underlying instruments and/or interest rates, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the contracts. Credit default swaps can involve greater risks than if an investor had invested in the reference obligation directly since, in addition to general market risks, credit default swaps are subject to counterparty credit risk, leverage risk, hedging risk, correlation risk and liquidity risk. The Funds disclose swap contracts on a gross basis, with no netting of contracts held with the same counterparty. As of December 31, 2016, the Funds had outstanding swap contracts as listed on the Schedule of Investments and the required collateral is included in the Statements of Assets and Liabilities.

Futures Contracts

The Funds may enter into futures contracts to produce incremental earnings, hedge existing positions or protect against market changes in the value of equities or interest rates. Upon entering into a futures contract with a broker, a Fund is required to deposit in a segregated account a specified amount of cash or U.S. government securities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. Daily, the Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with changes in the value of the underlying securities. With futures contracts, there is minimal counterparty credit risk to the Funds since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures contracts, guarantees the futures contract against default. As of December 31, 2016, the Active Income Fund and Select Credit Fund had outstanding futures contracts as listed in the Schedule of Investments and the required collateral is included in the Statements of Assets and Liabilities. The Event Driven Fund had no outstanding futures contracts at December 31, 2016.

Options Contracts

The Funds may use options contracts to hedge downside risk, produce incremental earnings or protect against market changes in the value of equities or interest rates. The Funds may write covered call and put options on futures, swaps, securities or currencies the Funds own or in which they may invest. Writing put options tends to increase a Fund's exposure to the underlying instrument. Writing call options tends to decrease a Fund's exposure to the underlying instrument. When a Fund writes a call or put option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. These liabilities are reflected as written options outstanding in the Schedule of Investments. Premiums received from writing options that expire are treated as realized gains. Premiums received from writing options that are exercised or closed are added to the proceeds or offset against amounts paid on the underlying future, swap, security or currency transaction to determine the realized gain or loss. A Fund, as a writer of an option, has no control over whether the underlying future, swap, security or currency may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the future, swap, security or currency underlying the written option. The risk exists that a Fund may not be able to enter into a closing transaction because of an illiquid market. In addition, to the extent a Fund purchases an over-the-counter ("OTC") option, it is subject to credit risk that the

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

counterparty to the trade does not perform under the contract's terms. The Funds are not subject to credit risk on OTC options written as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

The premium amount and the number of option contracts written by the Active Income Fund for the year ended December 31, 2016, were as follows:

Active Income Fund	Number of Contracts	Premium Amount
Options outstanding at December 31, 2015	69,125	\$ 12,518,350
Options written	38,015	30,970,113
Options closed	(13,215)	(19,381,126)
Options expired	(86,757)	(23,819,120)
Options exercised	<u>(7,168)</u>	<u>(288,217)</u>
Options outstanding at December 31, 2016	<u>—</u>	<u>\$ —</u>

The premium amount and the number of option contracts written by the Select Credit Fund for the year ended December 31, 2016, were as follows:

Select Credit Fund	Number of Contracts	Premium Amount
Options outstanding at December 31, 2015	12,400	\$ 1,866,185
Options written	3,622	3,875,735
Options closed	(1,260)	(2,273,828)
Options expired	(13,966)	(3,436,086)
Options exercised	<u>(796)</u>	<u>(32,006)</u>
Options outstanding at December 31, 2016	<u>—</u>	<u>\$ —</u>

The premium amount and the number of option contracts written by the Event Driven Fund for the year ended December 31, 2016, were as follows:

Event Driven Fund	Number of Contracts	Premium Amount
Options outstanding at December 31, 2015	1,700	\$ 217,525
Options written	6,755	2,299,962
Options closed	(2,815)	(1,858,144)
Options expired	(5,640)	(659,343)
Options exercised	<u>—</u>	<u>—</u>
Options outstanding at December 31, 2016	<u>—</u>	<u>\$ —</u>

The Funds may also purchase put and call options. Purchasing call options tends to increase a Fund's exposure to the underlying instrument. Purchasing put options tends to decrease a Fund's exposure to the underlying instrument. A Fund pays a premium, which is included in its Schedule of Investments as an investment and subsequently marked-to-market to reflect the current value of the option. Premiums paid for purchasing options that expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options that are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying future, swap, security or currency transaction to determine the realized gain or loss. When entering into purchased option contracts, a Fund bears the risk of securities prices moving unexpectedly, in which case, a Fund may not achieve the anticipated benefits of the purchased option contracts; however, the risk of loss is limited to the premium paid. As of December 31, 2016, the Funds only held purchased options as listed on the Schedule of Investments and the required collateral is included in the Statements of Assets and Liabilities.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

Swaptions

An option on a swap contract, also called a “swaption,” is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based “premium.” A call or receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate, or index swap. A put or payer swaption gives the owner the right to pay the total return of a specified asset, reference rate, or index swap. Swaptions also include options that allow an existing swap to be terminated or extended by one of the counterparties. As of December 31, 2016, the Active Income Fund and Select Credit Fund had outstanding swaptions as listed on the Schedule of Investments. The Event Driven Fund had no outstanding swaptions at December 31, 2016.

Forward Foreign Currency Contracts

The Funds use forward foreign currency contracts to manage foreign currency, to produce incremental earnings or to hedge existing positions. A forward foreign currency contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are principally traded in the inter-bank market conducted directly between currency traders (usually large commercial banks) and their customers.

The market value of a forward foreign currency contract fluctuates with changes in currency exchange rates. Outstanding forward foreign currency contracts are valued daily at current market rates and the resulting change in market value is recorded as unrealized appreciation or depreciation. When a forward foreign currency contract is settled, the Fund records a realized gain or loss equal to the difference between the value at the time the forward foreign currency contract was opened and the value at the time it was settled. A forward foreign currency contract may involve market risk in excess of the unrealized gain or loss reflected on the Statements of Assets and Liabilities. In addition, the Funds could be exposed to credit risk if the counterparties are unable or unwilling to meet the terms of the contracts or market risk if the value of the foreign currency changes unfavorably. As of December 31, 2016, the Funds had forward foreign currency contracts as listed in the Schedule of Investments.

Derivative Investment Holdings Categorized by Risk Exposure

Each Fund is subject to the FASB’s “Disclosures about Derivative Instruments and Hedging Activities” (the “Derivatives Statement”). The Derivatives Statement amends and expands disclosures about derivative instruments and hedging activities. The Derivatives Statement is intended to improve financial reporting about derivative instruments by requiring enhanced disclosures to enable investors to better understand how and why the Fund uses derivative instruments, how these derivative instruments are accounted for and their effects on the Funds’ financial position and results of operations.

The following table sets forth the fair value and the location in the Statement of Assets and Liabilities of the Active Income Fund’s derivative contracts by primary risk exposure as of December 31, 2016:

Risk exposure category	Asset derivatives	
	Statement of Assets and Liabilities location	Fair Value
Credit contracts	Unrealized appreciation on open swap contracts	\$ 4,843,011
Currency contracts	Unrealized appreciation on forward foreign currency contracts	95,076
Equity contracts	Purchased options, at fair value	64,500
Interest rate contracts	Purchased swaptions, at fair value	3,941,056
Interest rate contracts	N/A*	2,075,218
Total		\$11,018,861

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

<u>Risk exposure category</u>	<u>Liability derivatives</u>	
	<u>Statement of Assets and Liabilities location</u>	<u>Fair Value</u>
Credit contracts	Unrealized depreciation on open swap contracts	\$ 9,401,564
Currency contracts	Unrealized depreciation on forward foreign currency contracts	6,098
Equity contracts	Unrealized depreciation on open swap contracts	634,932
Total		\$10,042,594

* Includes cumulative appreciation/depreciation of futures contracts as shown in the Schedule of Investments. Only current day's variation margin is reported in the Statement of Assets and Liabilities.

The following table sets forth the fair value and the location in the Statement of Assets and Liabilities of the Select Credit Fund's derivative contracts by primary risk exposure as of December 31, 2016:

<u>Risk exposure category</u>	<u>Asset derivatives</u>	
	<u>Statement of Assets and Liabilities location</u>	<u>Fair Value</u>
Credit contracts	Unrealized appreciation on open swap contracts	\$ 45,944
Interest rate contracts	Purchased swaptions, at fair value	170,530
Interest rate contracts	N/A*	88,145
Total		\$304,619

<u>Risk exposure category</u>	<u>Liability derivatives</u>	
	<u>Statement of Assets and Liabilities location</u>	<u>Fair Value</u>
Credit contracts	Unrealized depreciation on open swap contracts	\$240,605
Equity contracts	Unrealized depreciation on open swap contracts	36,960
Total		\$277,565

* Includes cumulative appreciation/depreciation of futures contracts as shown in the Schedule of Investments. Only current day's variation margin is reported in the Statement of Assets and Liabilities.

The following table sets forth the fair value and the location in the Statement of Assets and Liabilities of the Event Driven Fund's derivative contracts by primary risk exposure as of December 31, 2016:

<u>Risk exposure category</u>	<u>Asset derivatives</u>	
	<u>Statement of Assets and Liabilities location</u>	<u>Fair Value</u>
Equity contracts	Unrealized appreciation on open swap contracts	\$152,804
Currency contracts	Unrealized appreciation on forward foreign currency contracts	121,018
Equity contracts	Purchased options, at fair value	38,450
Total		\$312,272

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The following table sets forth the Active Income Fund's net realized gain/loss by primary risk exposure and by type of derivative contract for the year ended December 31, 2016:

Derivative	Amount of net realized gain (loss) on derivatives				
	Risk exposure category				
	Credit contracts	Currency contracts	Equity contracts	Interest rate contracts	Total
Purchased options contracts	\$ —	\$ —	\$(58,167,386)	\$ —	\$(58,167,386)
Purchased swaptions contracts	—	—	—	(3,777,314)	(3,777,314)
Written options contracts	—	—	37,540,201	—	37,540,201
Forward foreign currency contracts	—	2,676,969	—	—	2,676,969
Futures contracts	—	—	(2,702,276)	1,088,048	(1,614,228)
Swap contracts	(19,419,750)	—	4,926,650	—	(14,493,100)
Total	\$(19,419,750)	\$2,676,969	\$(18,402,811)	\$(2,689,266)	\$(37,834,858)

The following table sets forth the Select Credit Fund's net realized gain/loss by primary risk exposure and by type of derivative contract for the year ended December 31, 2016:

Derivative	Amount of net realized gain (loss) on derivatives				
	Risk exposure category				
	Credit contracts	Currency contracts	Equity contracts	Interest rate contracts	Total
Purchased options contracts	\$ —	\$ —	\$(8,276,604)	\$ —	\$(8,276,604)
Purchased swaptions contracts	—	—	—	(332,995)	(332,995)
Written options contracts	—	—	5,000,542	—	5,000,542
Forward foreign currency contracts	—	201,003	—	—	201,003
Futures contracts	—	—	(449,496)	(367,032)	(816,528)
Swap contracts	(1,071,772)	—	318,155	—	(753,617)
Total	\$(1,071,772)	\$201,003	\$(3,407,403)	\$(700,027)	\$(4,978,199)

The following table sets forth the Event Driven Fund's net realized gain/loss by primary risk exposure and by type of derivative contract for the year ended December 31, 2016:

Derivative	Amount of net realized gain (loss) on derivatives		
	Risk exposure category		
	Currency contracts	Equity contracts	Total
Purchased options contracts	\$ —	\$(8,351,155)	\$(8,351,155)
Written options contracts	—	768,806	768,806
Forward foreign currency contracts	1,477,321	—	1,477,321
Swap contracts	—	2,825,626	2,825,626
Total	\$1,477,321	\$(4,756,723)	\$(3,279,402)

The following table sets forth the Active Income Fund's change in net unrealized appreciation/depreciation by primary risk exposure and by type of derivative contract for year ended December 31, 2016:

Derivative	Change in net unrealized appreciation (depreciation) on derivatives				
	Risk exposure category				
	Credit contracts	Equity contracts	Currency contracts	Interest rate contracts	Total
Purchased options contracts	\$ —	\$ 12,508,452	\$ —	\$ —	\$ 12,508,452
Purchased swaptions contracts	—	—	—	2,615,484	2,615,484
Written options contracts	—	(11,366,446)	—	—	(11,366,446)
Futures contracts	—	—	—	677,974	677,974
Swap contracts	3,880,437	(634,932)	—	—	3,245,505
Forward foreign currency contracts	—	—	(466,705)	—	(466,705)
Total	\$3,880,437	\$ 507,074	\$(466,705)	\$3,293,458	\$ 7,214,264

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The gross notional amount and/or the number of contracts for the Active Income Fund as of December 31, 2016 are included on the Schedule of Investments. The quarterly average values of derivative investments for the year ended December 31, 2016 is set forth in the table below:

Quarterly Derivative Averages		
<u>Derivative</u>	<u>Quarterly Average</u>	<u>\$ Amount / Number</u>
Options Contracts — Purchased	number of contracts	34,618
Options Contracts — Written	number of contracts	(15,107)
Futures Contracts — Short	number of contracts	(2,410)
Swap Contracts	gross notional amount	\$282,909,163
Swaptions Contracts — Purchased	gross notional amount	\$104,979,930
Forward Contracts — Long	fair value	\$ 14,936,308
Forward Contracts — Short	fair value	\$(43,383,149)

The following table sets forth the Select Credit Fund's change in net unrealized appreciation/depreciation by primary risk exposure and by type of derivative contract for the year ended December 31, 2016:

Change in net unrealized appreciation (depreciation) on derivatives					
<u>Derivative</u>	<u>Risk exposure category</u>				
	<u>Credit contracts</u>	<u>Equity contracts</u>	<u>Interest rate contracts</u>	<u>Currency contracts</u>	<u>Total</u>
Purchased options contracts	\$ —	\$ 4,029,613	\$ —	\$ —	\$ 4,029,613
Purchased swaptions contracts	—	—	65,085	—	65,085
Written options contracts	—	(1,674,685)	—	—	(1,674,685)
Forward foreign currency contracts	—	—	—	(143,306)	(143,306)
Futures contracts	—	5,338	(68,880)	—	(63,542)
Swap contracts	(229,016)	(36,960)	—	—	(265,976)
Total	<u>\$(229,016)</u>	<u>\$ 2,323,306</u>	<u>\$ (3,795)</u>	<u>\$(143,306)</u>	<u>\$ 1,947,189</u>

The gross notional amount and/or the number of contracts for the Select Credit Fund as of December 31, 2016 are included on the Schedule of Investments. The quarterly average values of derivative investments for the year ended December 31, 2016 is set forth in the table below:

Quarterly Derivative Averages		
<u>Derivative</u>	<u>Quarterly Average</u>	<u>\$ Amount / Number</u>
Options Contracts — Purchased	number of contracts	4,238
Options Contracts — Written	number of contracts	(2,588)
Futures Contracts — Short	number of contracts	(193)
Swap Contracts	gross notional amount	\$18,625,250
Swaptions Contracts — Purchased	gross notional amount	\$ 7,560,070
Forward Contracts — Long	fair value	\$ 3,412,401
Forward Contracts — Short	fair value	\$(6,556,198)

The following table sets forth the Event Driven Fund's change in net unrealized appreciation/depreciation by primary risk exposure and by type of derivative contract for the year ended December 31 2016:

Change in net unrealized appreciation (depreciation) on derivatives			
<u>Derivative</u>	<u>Risk exposure category</u>		
	<u>Equity contracts</u>	<u>Currency contracts</u>	<u>Total</u>
Purchased options contracts	\$3,376,357	\$ —	\$3,376,357
Written options contracts	28,975	—	28,975
Swap contracts	193,340	—	193,340
Forward foreign currency contracts	—	106,602	106,602
Total	<u>\$3,598,672</u>	<u>\$106,602</u>	<u>\$3,705,274</u>

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The gross notional amount and/or the number of contracts for the Event Driven Fund as of December 31, 2016 are included on the Schedule of Investments. The quarterly average values of derivative investments for the year ended December 31, 2016 is set forth in the table below:

Quarterly Derivative Averages		
<u>Derivative</u>	<u>Quarterly Average</u>	<u>\$ Amount / Number</u>
Options Contracts — Purchased	number of contracts	14,308
Options Contracts — Written	number of contracts	(340)
Swap Contracts	gross notional amount	\$ (125,082)
Forward Contracts — Short	fair value	\$(10,017,596)

Disclosures about Offsetting Assets and Liabilities

The Funds are party to various agreements, including International Swaps and Derivatives Association Agreements and related Credit Support Annexes (“Master Netting Agreements” or “MNA”), which govern the terms of certain transactions with select counterparties. MNAs are designed to reduce counterparty risk associated with the relevant transactions by establishing credit protection mechanisms and providing standardization as a means of improving legal certainty. As MNAs are specific to the unique operations of different asset types, they allow each Fund to close out and net its total exposure to a counterparty in the event of default with respect to all of the transactions governed under a single agreement with that counterparty. MNAs can also help reduce counterparty risk by specifying collateral posting requirements at pre-arranged exposure levels. Securities and cash pledged as collateral are reflected as assets in the Statement of Assets and Liabilities as either a component of Investment securities at fair value or Collateral held at custodian for the benefit of brokers.

The Funds’ derivative contracts held at December 31, 2016, are not accounted for as hedging instruments under GAAP. For financial reporting purposes, the Funds do not offset financial assets and financial liabilities that are subject to MNAs or similar arrangements on the Statements of Assets and Liabilities. The settlement of futures contracts and exchange-traded purchased options is guaranteed by the clearinghouse or exchange the instrument is traded on and is not subject to arrangements with particular counterparties. For that reason, these instruments are excluded from the below disclosure.

The following table presents the Active Income Fund’s financial and derivative assets subject to Master Netting Agreements by type, net of amounts available for offset under a MNA and net of the related collateral received by the Active Income Fund as of December 31, 2016:

<u>Description</u>	<u>Gross Amounts Recognized in Statement of Assets and Liabilities</u>	<u>Derivatives Available for Offset</u>	<u>Collateral Received</u>	<u>Net Amount¹</u>
Unrealized appreciation on open swap contracts	\$4,843,011	\$(3,925,318)	\$—	\$917,693
Unrealized appreciation on forward foreign currency contracts	95,076	(6,098)	—	88,978

The following table presents the Active Income Fund’s financial and derivative liabilities subject to Master Netting Agreements by type, net of amounts available for offset under a MNA and net of the related collateral pledged by the Active Income Fund as of December 31, 2016:

<u>Description</u>	<u>Gross Amounts Recognized in Statement of Assets and Liabilities</u>	<u>Derivatives Available for Offset</u>	<u>Collateral Pledged</u>	<u>Net Amount²</u>
Unrealized depreciation on open swap contracts	\$10,036,496	\$(3,925,318)	\$(6,111,178)	\$—
Unrealized depreciation on forward foreign currency contracts	6,098	(6,098)	—	—

¹ Net amount represents the net amount receivable from the counterparty in the event of default.

² Net amount represents the net amount payable to the counterparty in the event of default.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The following table presents the Select Credit Fund's financial and derivative assets subject to Master Netting Agreements by type, net of amounts available for offset under a MNA and net of the related collateral received by the Select Credit Fund as of December 31, 2016:

<u>Description</u>	<u>Gross Amounts Recognized in Statement of Assets and Liabilities</u>	<u>Derivatives Available for Offset</u>	<u>Collateral Received</u>	<u>Net Amount¹</u>
Unrealized appreciation on open swap contracts	\$45,944	\$(45,944)	\$—	\$—

The following table presents the Select Credit Fund's financial and derivative liabilities subject to Master Netting Agreements by type, net of amounts available for offset under a MNA and net of the related collateral pledged by the Select Credit Fund as of December 31, 2016:

<u>Description</u>	<u>Gross Amounts Recognized in Statement of Assets and Liabilities</u>	<u>Derivatives Available for Offset</u>	<u>Collateral Pledged</u>	<u>Net Amount²</u>
Unrealized depreciation on open swap contracts	\$277,565	\$(45,944)	\$(231,621)	\$—

¹ Net amount represents the net amount receivable from the counterparty in the event of default.

² Net amount represents the net amount payable to the counterparty in the event of default.

The following table presents the Event Driven Fund's financial and derivative assets subject to Master Netting Agreements by type, net of amounts available for offset under a MNA and net of the related collateral received by the Event Driven Fund as of December 31, 2016:

<u>Description</u>	<u>Gross Amounts Recognized in Statement of Assets and Liabilities</u>	<u>Derivatives Available for Offset</u>	<u>Collateral Pledged</u>	<u>Net Amount¹</u>
Unrealized appreciation on open swap contracts	\$152,804	\$—	\$(152,804)	\$—
Unrealized appreciation on forward foreign currency contracts	121,018	—	(121,018)	—

¹ Net amount represents the net amount receivable from the counterparty in the event of default.

C. INVESTMENT ADVISORY FEES, TRANSACTIONS WITH AFFILIATES, AND ADMINISTRATIVE FEES

Richard H. Driehaus, an Interested Trustee of the Trust, is also the Chairman of the Board of Driehaus Capital Management LLC ("DCM" or the "Adviser"), a registered investment adviser, and of Driehaus Securities LLC ("DS LLC" or the "Distributor"), a registered broker-dealer.

DCM serves as the Funds' investment adviser. In return for its services to the Funds, the Funds pay the Adviser an annual management fee on a monthly basis of 0.55%, 0.80% and 1.00% of average daily net assets, respectively, for the Active Income Fund, Select Credit Fund and Event Driven Fund.

DCM entered into a written agreement to cap the Event Driven Fund's annual ordinary operating expenses (other than interest, taxes, brokerage commissions, dividends and interest on short sales, other investment-related expenses and extraordinary expenses such as litigation and other expenses not incurred in the ordinary course of the Fund's business) at 2.00% of average daily net assets until at least August 25, 2016. For this same time period, DCM was entitled to reimbursement for previously waived fees and reimbursed expenses to the extent that the Event Driven Fund's expense ratio remained below the operating expense cap in place at the time of the waiver and the current operating expense cap. For the year ended December 31, 2016, the Event Driven Fund did not have any fees waived by DCM and as of December 31, 2016, there are no amounts subject to recapture.

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

The Active Income Fund incurred \$13,798,762 for investment advisory fees during the year ended December 31, 2016, of which \$1,066,609 was payable to DCM at December 31, 2016. The Select Credit Fund incurred \$1,234,720 for investment advisory fees during the year ended December 31, 2016, and \$51,349 was payable to DCM at December 31, 2016. The Event Driven Fund incurred \$2,224,879 for investment advisory fees during the year ended December 31, 2016, and \$214,690 was payable to DCM at December 31, 2016.

The Funds direct certain portfolio trades, subject to obtaining the best price and execution, to brokers who have agreed to pay a portion of the Funds' operating expenses using part of the commissions generated. For the year ended December 31, 2016, these arrangements reduced the expenses of Driehaus Active Income Fund, Driehaus Select Credit Fund and Driehaus Event Driven Fund by \$90,722 (0.3%), \$2,350 (0.1%) and \$44,845 (1.0%), respectively.

The Funds are permitted to purchase or sell securities from or to certain affiliated funds under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by a Fund from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common trustees and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under these procedures, each transaction is affected at the current market price to minimize trading costs, where permissible. For the year ended December 31, 2016, the Funds engaged in purchases and sales of securities, pursuant to Rule 17a-7 of the 1940 Act, as follows:

Fund	Purchases	Sales	Net Realized Gain (Loss)
Active Income Fund	\$61,167,454	\$ 4,114,500	\$ 351,872
Select Credit Fund	—	56,718,164	(1,390,504)
Event Driven Fund	4,114,500	4,449,290	255,671

An affiliated issuer is an entity in which the Fund has ownership of at least 5% of the voting securities or any investment in a Driehaus Mutual Fund. Issuers that are affiliates of the Fund at period-end are noted in the Fund's Schedule of Investments. Additional security purchases and the reduction of certain securities shares outstanding of existing portfolio holdings that were not considered affiliated in prior years may result in the Fund owning in excess of 5% of the outstanding shares at period-end. The table below reflects transactions during the period with entities that are affiliates as of December 31, 2016:

Fund/Security Description	Value Beginning of Period	Purchases	Sales Proceeds	Unrealized Appreciation (Depreciation)	Value End of Period	Dividends Credited to Income	Net Realized Gain (Loss)
Active Income Fund:							
AMC Entertainment Holdings, Inc., Class A ⁽¹⁾	\$—	\$67,335,836	\$ (4,161,909)	\$ 4,390,648	\$67,920,645	\$ 519,020	\$ 356,070
Apollo Education Group, Inc.	—	65,347,440	—	8,748,882	74,096,322	—	—
Carmike Cinemas, Inc. ⁽¹⁾	—	51,742,250	(59,593,901)	—	—	—	7,851,651
Pinnacle Entertainment, Inc.	—	52,054,690	(5,968,229)	15,441,116	62,302,078	12,474,795	774,501
Stewart Information Services Corp.	—	77,488,395	(1,085,137)	389,036	76,766,101	505,779	(26,193)

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

<u>Fund/Security Description</u>	<u>Shares Beginning of Period</u>	<u>Purchases</u>	<u>Sales</u>	<u>Shares End of Period</u>
Active Income Fund:				
AMC Entertainment Holdings, Inc., Class A ⁽¹⁾	—	2,149,944	(131,500)	2,018,444
Apollo Education Group, Inc.	—	7,484,477	—	7,484,477
Carmike Cinemas, Inc. ⁽¹⁾	—	1,735,011	(1,735,011)	—
Pinnacle Entertainment, Inc.	—	4,765,928	(469,233)	4,296,695
Stewart Information Services Corp.	—	1,691,174	(25,243)	1,665,931

⁽¹⁾ No longer affiliated as of December 31, 2016

DS LLC is the Funds' distributor. DS LLC does not earn any compensation from the Funds for these services. DS LLC has entered into a Fee Reimbursement Agreement ("Agreement") with each of the Funds. Under these Agreements, the Funds reimburse DS LLC for certain fees paid by DS LLC to intermediaries who provide shareholder administrative and/or sub-transfer agency services to the Funds. Currently, the amount to be reimbursed will not exceed 0.25% of the average daily net assets held by such intermediaries. The amounts incurred and payable to DS LLC during the year ended December 31, 2016 are as follows:

<u>Fund</u>	<u>Shareholder services plan fees</u>	<u>Accrued shareholder services plan fees</u>
Active Income Fund	\$ 3,940,803	\$ 381,601
Select Credit Fund	251,106	15,603
Event Driven Fund	460,254	45,142

Certain officers of the Trust are also officers of DCM and DS LLC. The Funds pay a portion of the Chief Compliance Officer's salary. No other officers received compensation from the Funds during the year ended December 31, 2016. The Independent Trustees are compensated for their services to the Trust and such compensation is reflected as Trustees' fees in the Statements of Operations.

UMB Fund Services, Inc. ("UMBFS"), an affiliate of UMB Financial Corporation, serves as the Funds' administrative and accounting agent. In compensation for these services, UMBFS earns the larger of a monthly minimum fee or a monthly fee based upon each Fund's average daily net assets. UMBFS also acts as the transfer agent and dividend disbursing agent for the Funds. For these services, UMBFS earns a monthly fee based in part on shareholder processing activity during the month.

D. INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding swaps, options, futures, forwards, short-term securities and U.S. government obligations) for the Active Income Fund, Select Credit Fund and Event Driven Fund for the year ended December 31, 2016, were as follows:

<u>Active Income Fund</u>		<u>Select Credit Fund</u>		<u>Event Driven Fund</u>	
Purchases	\$2,579,132,323	Purchases	\$173,367,731	Purchases	\$531,720,264
Sales	\$3,375,413,906	Sales	\$355,479,824	Sales	\$511,632,179

The aggregate purchases and sales of U.S. government obligations for the Active Income Fund, Select Credit Fund and Event Driven Fund for the year ended December 31, 2016, were as follows:

<u>Active Income Fund</u>		<u>Select Credit Fund</u>		<u>Event Driven Fund</u>	
Purchases	\$ —	Purchases	\$ —	Purchases	\$ —
Sales	\$12,543,123	Sales	\$ —	Sales	\$ —

Driehaus Mutual Funds
Notes to Financial Statements — (Continued)

E. RESTRICTED SECURITIES

Restricted securities are securities that are not registered for sale under the Securities Act of 1933 or applicable foreign law and that may be resold only in transactions exempt from applicable registration. Restricted securities include Rule 144A securities which may be sold normally to qualified institutional buyers. At December 31, 2016, the Funds held restricted securities as denoted on the Schedule of Investments.

F. LINE OF CREDIT

Active Income Fund, Select Credit Fund and Event Driven Fund have, together with certain other funds in the Trust, obtained a committed line of credit in the amount of \$50,000,000. The line of credit is available primarily to meet large, unexpected shareholder withdrawals subject to certain restrictions. Interest is charged at a rate per annum equal to the Federal Funds Rate in effect at the time of the borrowings plus 1.5%, or 1.75%, whichever is greater. There is a commitment fee of 0.10% of the excess of the \$50,000,000 committed amount over the sum of the average daily balance of any loans, which is allocated pro rata amongst all funds that have access to the line. At December 31, 2016, the Funds had no outstanding borrowings under the line of credit.

G. SUBSEQUENT EVENTS

Events or transactions that occurred after the date of this report through the date the report was issued have been evaluated for potential impact to the financial statements. There are no subsequent events that require recognition or disclosure in the financial statements.

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders of Driehaus Mutual Funds

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Driehaus Active Income Fund, Driehaus Select Credit Fund, and Driehaus Event Driven Fund (collectively, the “Funds”) as of December 31, 2016, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the custodian, brokers, and agent banks or by other appropriate auditing procedures where replies from brokers and agent banks were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the respective Funds noted above at December 31, 2016, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Chicago, Illinois
February 23, 2017

Interested and Independent Trustees of the Trust

The following table sets forth certain information with respect to the Trustees of the Trust as of December 31, 2016:

<u>Name, Address and Year of Birth</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Number of Portfolios in Trust Overseen by Trustee</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Other Directorships Held by Trustee During the Past 5 Years</u>
Interested Trustee:*					
Richard H. Driehaus 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee	Since 1996	8	Chairman of the Board of the Adviser, the Distributor and Driehaus Capital Management (USVI) LLC (“USVI”); Chief Investment Officer and Portfolio Manager of the Adviser.	None
Independent Trustees:					
Daniel F. Zemanek c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee and Chairman	Since 1996 Since 2014	8	Retired; President of Ludan, Inc. (real estate development services specializing in senior housing) from April 2008 to December 2014.	None
Theodore J. Beck c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1952	Trustee	Since 2012	8	President and Chief Executive Officer, National Endowment for Financial Education, 2005 to present.	Wilshire Variable Insurance Trust, 2008-2010; Wilshire Mutual Funds Inc., 2008- 2010; Advisory Board of the Trust, 2011-2012.
Francis J. Harmon c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee	Since 1998	8	Relationship Manager, Great Lakes Advisors, Inc. since February 2008.	None
Dawn M. Vroegop c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1966	Trustee	Since 2012	8	Private Investor since September 2003.	Independent Trustee, Met Investors Series Trust since December 2000; Independent Trustee, Metropolitan Series Fund, Inc. since May 2009; Advisory Board of the Trust, 2011-2012.
Christopher J. Towle, CFA c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1957	Trustee	Since 2016	8	Retired; Partner, Portfolio Manager, Director of High Yield and Convertible Securities, Lord Abbett & Co. from 1987-2014.	None

* Mr. Driehaus is an “interested person” of the Trust, the Adviser and the Distributor, as defined in the 1940 Act, because he is an officer of the Adviser and the Distributor. In addition, Mr. Driehaus has a controlling interest in the Adviser and the Distributor.

Officers of the Trust

The following table sets forth certain information with respect to the officers of the Trust:

<u>Name, Address and Year of Birth</u>	<u>Position(s) Held with the Trust</u>	<u>Length of Time Served</u>	<u>Principal Occupation(s) During Past 5 Years</u>
Robert H. Gordon 25 East Erie Street Chicago, IL 60611 YOB: 1961	President	Since 2011	President and Chief Executive Officer of Adviser, Distributor and USVI since October 2006.
Michelle L. Cahoon 25 East Erie Street Chicago, IL 60611 YOB: 1966	Vice President and Treasurer	Since 2006 Since 2002	Managing Director, Treasurer and Chief Financial Officer of the Adviser and Distributor since 2012; Vice President, Treasurer and Chief Financial Officer of USVI since 2004; Vice President, Treasurer and Chief Financial Officer of the Adviser and Distributor from 2004-2012.
Janet L. McWilliams 25 East Erie Street Chicago, IL 60611 YOB: 1970	Assistant Vice President and Chief Legal Officer	Since 2007 Since 2012	Managing Director, Secretary and General Counsel of the Adviser since 2012; Chief Compliance Officer of the Trust, Adviser and Distributor from 2006-2012.
Michael R. Shoemaker 25 East Erie Street Chicago, IL 60611 YOB: 1981	Chief Compliance Officer and Assistant Vice President	Since 2012	Assistant Vice President and Chief Compliance Officer of the Adviser and Distributor since 2012; Associate Chief Compliance Officer of the Adviser and Distributor from 2011-2012.
William H. Wallace, III 301 Bellevue Parkway Wilmington, DE 19809 YOB: 1969	Secretary	Since 2015	Vice President and Manager, BNY Mellon Investment Servicing (US) Inc. (formerly PNC, a financial services company) since 2010.
Michael P. Kailus 25 East Erie Street Chicago, IL 60611 YOB: 1971	Assistant Secretary and Anti-Money Laundering Compliance Officer	Since 2010 Since 2011	Assistant Secretary of the Adviser, Distributor and USVI since 2010; Senior Attorney with the Adviser since 2010.
Christine V. Mason 301 Bellevue Parkway Wilmington, DE 19809 YOB: 1956	Assistant Secretary	Since 2015	Senior Specialist, BNY Mellon Investment Servicing (US) Inc. (formerly PNC, a financial services company) since 2013; Senior Paralegal, Foreside Funds Distributors LLC (formerly BNY Mellon Distributors Inc.) from 2004-2013.

The Statement of Additional Information for Driehaus Mutual Funds contains more detail about the Trust's Trustees and officers and is available upon request, without charge. For further information, please call 1-877-779-0079.

Fund Expense Examples

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, including sales charges; redemption fees; and exchange fees and (2) ongoing costs, including management fees; distribution (12b-1) and/or service fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six month period ended December 31, 2016.

Actual Expenses

The first line of the table below (“Actual”) provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the tables below (“Hypothetical”) provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. You may use this information to compare the ongoing costs of investing in the Fund versus other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges, redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Driehaus Active Income Fund

	Beginning Account Value July 1, 2016	Ending Account Value December 31, 2016	Expenses Paid During Six Months Ended December 31, 2016*
Actual	\$1,000.00	\$1,046.40	\$7.20
Hypothetical Example, assuming a 5% return before expenses	\$1,000.00	\$1,018.10	\$7.10

Driehaus Select Credit Fund

	Beginning Account Value July 1, 2016	Ending Account Value December 31, 2016	Expenses Paid During Six Months Ended December 31, 2016*
Actual	\$1,000.00	\$1,043.40	\$11.51
Hypothetical Example, assuming a 5% return before expenses	\$1,000.00	\$1,013.88	\$11.34

Fund Expense Examples — (Continued)

Driehaus Event Driven Fund

	Beginning Account Value July 1, 2016	Ending Account Value December 31, 2016	Expenses Paid During Six Months Ended December 31, 2016*
Actual	\$1,000.00	\$1,070.10	\$10.88
Hypothetical Example, assuming a 5% return before expenses	\$1,000.00	\$1,014.63	\$10.58

* Expenses are equal to the Funds' annualized expense ratios for the six-month period in the table below multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184), then divided by 366 to reflect the half-year period.

Driehaus Active Income Fund	1.40%
Driehaus Select Credit Fund	2.24%
Driehaus Event Driven Fund	2.09%

Shareholder Information

TAX INFORMATION (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2016

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

For taxable non-corporate shareholders, the following percentages of income and short-term capital gains represent qualified dividend income subject to the 15% rate category:

<u>Active Income Fund</u>	<u>Select Credit Fund</u>	<u>Event Driven Fund</u>
20.73%	16.87%	78.22%

For corporate shareholders, the following percentages of income and short-term capital gains qualified for the dividends-received deduction:

<u>Active Income Fund</u>	<u>Select Credit Fund</u>	<u>Event Driven Fund</u>
16.49%	8.88%	42.47%

PROXY VOTING POLICIES AND PROCEDURES AND PROXY VOTING RECORD

A description of the Funds' policies and procedures with respect to the voting of proxies relating to the Funds' portfolio securities is available, without charge, upon request, by calling 1-877-779-0079. This information is also available on the Funds' website at <http://www.driehaus.com>.

Information regarding how the Funds voted proxies related to portfolio securities during the 12-month period ended June 30, 2016 is available without charge, upon request, by calling 1-877-779-0079. This information is also available on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

Each Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available electronically on the SEC's website at <http://www.sec.gov>; hard copies may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. For more information on the Public Reference Room, call 1-800-SEC-0330. Each Fund's complete schedule of portfolio holdings is also available on the Funds' website at <http://www.driehaus.com>.

Board Considerations in Connection with the Annual Review of the Investment Advisory Agreement

The Board of Trustees of the Driehaus Mutual Funds (the “Trust”), including a majority of the Trustees who are not “interested persons” (as defined in the Investment Company Act of 1940, as amended) (the “Independent Trustees”), approved the renewal of the investment advisory agreement (the “Agreement”) with Driehaus Capital Management LLC (the “Adviser”) for Driehaus Active Income Fund (“LCMAX”), Driehaus Select Credit Fund (“DRSLX”) and Driehaus Event Driven Fund (“DEVDX” and together with LCMAX and DRSLX, the “Funds”) on September 14, 2016 for an additional one-year term ending September 30, 2017. As part of its review process, the Board requested and evaluated all information it deemed reasonably necessary to evaluate the Agreement. The Board reviewed comprehensive materials received from the Adviser and from independent legal counsel. The Board also received extensive information throughout the year regarding performance and operating results of each Fund. The Independent Trustees held a conference call with their independent legal counsel on September 8, 2016 to review the materials provided in response to their request and identified areas for further response by Fund management. Following receipt of further information from Fund management, the Independent Trustees, represented by independent legal counsel, met independent of Fund management to consider renewal of the Agreement for each Fund. After their consideration of all the information received, the Independent Trustees presented their findings and their recommendation to renew the Agreement at the Board meeting.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that the Adviser has managed each Fund for an extended period or since inception, and the Board believes that a long-term relationship with a capable, conscientious adviser is in the best interests of each Fund.

Nature, Quality and Extent of Services. The Board considered the nature, extent and quality of services provided under the Agreement, including portfolio management services and administrative services. The Board considered the experience and skills of senior management and investment personnel, the resources made available to such personnel, the ability of the Adviser to attract and retain high-quality personnel, and the organizational depth of the Adviser. The Board also considered the Trust’s compliance with legal and regulatory requirements, as well as the Adviser’s handling of portfolio brokerage, and noted the Adviser’s process for evaluating best execution. The Board considered the Adviser’s risk management strategies and the process developed by the Adviser for analyzing, reviewing and assessing risk exposure for the Funds. The Board also considered the Funds’ process for fair valuation of portfolio securities and noted the Board’s review of Fund valuation matters throughout the year.

For each of the Funds, the Board evaluated the performance of the Fund for year-to-date and 1-, 3- and 5-year periods ended June 30, 2016, as available, comparing it to performance of a peer group of funds compiled by the Adviser from data from Lipper Analytical Services, Inc., an independent provider of mutual fund data that is a service of Broadridge Financial Solutions (“Lipper”) and to each Fund’s two benchmark indices, as identified in reports to shareholders. The Board also received updated performance information as of August 31, 2016 for DRSLX. The Board noted the Adviser’s statement that there are limitations in comparing the performance of the Funds to a peer group of funds that may differ significantly by objective and portfolio characteristics. The Adviser also noted that the benchmarks are more representative for long-only funds.

The Board considered that, as of June 30, 2016, although LCMAX underperformed the median of its peer group for all periods reviewed and its benchmark index, the Citigroup 3-Month T-Bill Index (“Citigroup Index”), for the 1-year period, LCMAX outperformed the Citigroup Index for the year-to-date and 3- and 5-year periods. The Board also noted that LCMAX underperformed its other benchmark index, the Barclays Capital U.S. Aggregate Bond Index (“Barclays Index”) for all periods reviewed and had met its volatility objective of being less volatile than the Barclays Index for the 3- and 5-year periods. The Board also noted the significant level of assets retained in the Fund by existing shareholders, despite outflows in the industry category, reflecting their continuing satisfaction with the Fund, which has been closed to new investors because of capacity constraints.

The Board considered that as of June 30, 2016 DRSLX’s performance was below the median of its peer group and both benchmark indices, the Citigroup Index and the BofA Merrill Lynch US High Yield Index (“BofA Index”), for the year-to-date and 1-, 3-, and 5-year periods reviewed. The Board also noted that as of August 31, 2016 DRSLX’s performance had improved. The Board noted that DRSLX had met its volatility objective of being less volatile than the BofA Index.

The Board considered that as of June 30, 2016 DEVDX's performance was below the median of the peer group and both benchmark indices, the Citigroup Index and the S&P 500 Index, for both the year-to-date and 1-year periods reviewed (the Fund's inception date was August 26, 2013). The Board noted that DEVDX had met its volatility objective of being less volatile than the S&P 500 Index.

The Board considered the explanations provided by the Adviser for the causes of underperformance, as well as the Adviser's representations regarding confidence in each Fund's portfolio management team, and concluded that the investment processes followed were consistent with each Fund's investment objective and policies.

On the basis of this evaluation and its ongoing review of investment results, the Board concluded that, although it would continue to monitor closely each Fund's performance, the nature, quality and extent of services provided by the Adviser supported renewal of the Agreement for each Fund.

Fees. The Board considered the Funds' advisory fees, operating expenses and total expense ratios as of December 31, 2015 as compared to peer group information based on data compiled from Lipper as of the most recent fiscal year end of each fund in the peer group. The Board noted the limitations of the peer group of funds designated by Lipper for LCMAX and DRSLX (the alternative credit focus funds peer group), as discussed above. The Board noted that LCMAX's annual advisory fee rate of .55% is in the 34th percentile of the actual fees of its peer group (1st percentile being the highest fee), DRSLX's advisory fee rate of .80% was in the 12th percentile of the actual fees of its peer group, and DEVDX's advisory fee rate of 1.00% is in the 39th percentile of the actual fees of its peer group. In considering the reasonableness of the advisory fees, the Board took into account the substantial human and technological resources devoted to investing for the Funds and the limited capacity of the investment styles, noting that LCMAX is currently closed to new investors.

The Board also considered that for the fiscal year ended December 31, 2015, LCMAX, DRSLX and DEVDX's expense ratios (excluding dividends and interest on short sales) were in the 83rd, 52nd and 69th percentile of their peer group, respectively. The Board considered that the Adviser has agreed to reimburse DEVDX for any expenses in excess of 2.00% of average daily net assets (excluding interest, taxes, brokerage commissions, dividends and interest on short sales, other investment-related costs and extraordinary expenses) through August 25, 2016. The Board noted that the Adviser does not manage other accounts that are similar to the Funds. On the basis of the information provided, the Board concluded that the advisory fees were reasonable in light of the nature and quality of services provided by the Adviser.

Profitability. The Board reviewed information regarding the revenues received by the Adviser under the Agreement and discussed the methodology in allocating its costs to the management of the Funds. The Board considered the estimated costs to the Adviser of each Fund. The Board noted that LCMAX is currently closed to new investors in order to maintain assets at a level that the Adviser feels is prudent, which limits this Fund's profitability to the Adviser. The Board also noted that the Funds do not have a Rule 12b-1 fee and that the Adviser's affiliate, Driehaus Securities LLC ("DS LLC"), serves as distributor of the Funds without compensation, that DS LLC provides compensation to intermediaries for distribution of the Funds' shares and for shareholder services, and that DS LLC is reimbursed by the Funds under a Shareholder Services Plan (the "Plan") for certain amounts paid for shareholder services covered under the Plan. The Board concluded that, based on the projected profitability calculated for the Trust as well as for the Funds individually (noting that DEVDX was expected to be operated at a loss), the advisory fees did not produce excessive profits.

Economies of Scale. In considering the reasonableness of the advisory fee, the Board considered whether there are economies of scale with respect to the management of the Funds and whether the Funds benefit from any economies of scale. Given the capacity constraints of LCMAX and the current size of DRSLX and DEVDX, the Board concluded that the advisory fee rates under the Agreement are reasonable and reflect an appropriate sharing of any such economies of scale.

Other Benefits to the Adviser and its Affiliates. The Board also considered the character and amount of other incidental benefits received by the Adviser and its affiliates. The Board noted that payments to DS LLC under the Plan are in reimbursement of payments made to intermediaries for shareholder services. The Board also noted that the soft dollar amounts for each Fund were limited during this period. The Board concluded that the advisory fees were reasonable in light of any fall-out benefits.

Based on all of the information considered and the conclusions reached, the Board determined that the terms of the Agreement continue to be fair and reasonable and that the continuation of the Agreement is in the best interests of each Fund. No single factor was determinative in the Board's analysis.