

Driehaus Micro Cap Growth Strategy

Key Features

- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Inception Date

January 1, 1996

Composite Assets Under Management¹

\$935 million

Total Strategy Assets: \$954 million

Firm Assets Under Management

\$8.8 billion

Investment Style

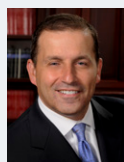
Growth equity

Available Investment Vehicle:

Separately managed account

Mutual Fund

Portfolio Managers



Jeff James

Portfolio Manager
28 years of industry experience
Managed strategy since 1998



Michael Buck

Assistant Portfolio Manager
18 years of industry experience

¹Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see notes at the end of this document for descriptions of composite objectives and eligibility requirements.



MARKET OVERVIEW

After a long absence, volatility returned to the equity markets in the first quarter of 2018. January started bullishly as the major indices continued their steep upward trend from 2017. Investor optimism was boosted by the strong U.S. corporate earnings outlook for 2018, supported by the sweeping U.S. tax cuts, deregulation and a robust global macroeconomic picture. However, market conditions changed in early February as fear of inflation was stoked by higher January wage inflation data and the crowded short-volatility trade was suddenly unwound, causing a significant sell-off in equities as the S&P 500 corrected greater than 10% in a matter of days.

From an oversold position, equities then bounced on the back of strong corporate earnings but the advance could not be sustained as the indices sharply pulled back in March to “re-test” the February lows to end the quarter. This technical “re-test” has occurred as the market is struggling to deal with the threat of a Trade War caused by President Trump’s trade rhetoric and proposed tariffs aimed at China. The fear is that the proposed U.S. tariffs and China’s retaliatory tariff proposals will become bad policy and will negatively impact global trade, economic growth and corporate earnings. It is significant that both soybeans and aircraft have been included in the Chinese response. Fortunately, the U.S. says it is talking to China. The positive outcome would be a watered down set of tariffs and ultimately a better set of trade rules between the world’s two largest and co-dependent economies. The next few months will be critical for both sides to resolve intellectual property issues

and proposed tariffs on many key products.

In addition to the U.S.-Chinese trade issue, real issues like higher interest rates and noisy ones like continuous personnel changes at the White House and Trump’s tweet attacks are also weighing on equities as concerns grow that these will potentially offset the tax cuts impacting economic growth. Interestingly and positively, the credit, Treasury and currency market thus far are taking all these developments much more in stride and have been relatively calm. Perhaps the bond vigilantes of yesteryear have become “equity vigilantes” as Trump views the stock market as his key barometer.

For the moment at least, the equity market is no longer as forgiving of Trump as it once was. Also, the leading large cap tech stocks and large cap tech in general are no longer the safe havens they once appeared to be. The market is now lacking leadership in both cases.

While the market searches for leadership and a near-term bottom, we are constructive on multiple fronts. The U.S. economic outlook has broadly strengthened overall despite some indicators moderating. Fiscal policy is stimulative, job gains are boosting incomes and confidence, inflation remains consistently below the Fed’s target and economic outlook is for continued expansion. Growth (as a style) is outperforming value. Smaller caps are outperforming large caps. Micro and small caps have better earnings growth currently and are less exposed to trade and tariff issues. Overall earnings are growing rapidly and positive earnings per share (EPS) revisions are occurring at the fastest

pace in many years. Anecdotally, the recent fourth quarter earnings season was one of the strongest we have witnessed overall for our portfolio companies. We anticipate strong earnings again in the upcoming March quarter earnings season. Finally, equity valuations have come down nearly three price to earnings (P/E) turns in the past two months for both the major indices and for our portfolio as consensus earnings expectations have strongly risen and equity prices have pulled back.

PERFORMANCE REVIEW

For the first quarter, the Driehaus Micro Cap Growth strategy outperformed

its benchmark. The strategy returned 5.13%, net of fees, while the Russell Micro Cap Growth Index rose 0.99% and the Russell 2000 rose 2.30%.

By sector, for the quarter, the strategy's relative outperformance was dominated by technology as well as consumer discretionary. Portfolio holdings in both sectors experienced strong earnings and both were market leaders outperforming all other sectors.

Financials and health care also outperformed.

In contrast to the last several quarters, we did have a few sectors detract from results

as the market breadth did narrow during the quarter. On the downside, industrials, materials and energy sectors underperformed and contributed negatively to portfolio's total return for the quarter.

Technology was led by very broad leadership in cloud-based enterprise and internet software, followed by semiconductors and specialty hardware (memory components, systems and solar equipment), as well as e-commerce. Health care's outperformance was led by significant gains in a broad number of biotech holdings, followed

proposals and loud rhetoric will spark a Trade War which would impact economic growth. Trade negotiations to be conducted over the next couple months with China will help determine actual policy and then the eventual impact on economic growth. Thus far, our view is that this process may slightly impact economic growth on the margin but actual tariffs and their impact will be less severe than what has been proposed. Therefore, absent of additional information, it will likely not lead to a material economic slowdown or anything close to a recession.

Elsewhere, corporate earnings are expected to grow approximately 20% plus this year and economic growth

“Micro and small caps have better earnings growth currently and are less exposed to trade and tariff issues.”

by several medical device companies. Consumer discretionary did have strong performance from education-related companies and a few consumer brand name companies. Industrials had positive performance from transportation companies, offset by negative performance in building products. Materials and energy continue to be difficult sectors but are small in terms of absolute weightings.

OUTLOOK & POSITIONING

Trade policy is the key concern for the market currently. It is fearful that Trump's tariff

should be sustained. Credit conditions are benign. Most key economic statistics and indicators are trending positively, with many at new cycle highs. Tax cuts are incrementally boosting earnings (and helping valuations) and deregulation is helping business optimism. Inflation may have an upward bias but most inflation data remains benign. The equity market's breadth and leadership has deteriorated which is a concern, but this is typical behavior during market corrections. Near-term, the market needs better clarity on trade policy which productive trade negotiations with China

¹The performance data represents the strategy's composite of micro cap growth accounts managed by Driehaus Capital Management LLC (DCM) (the composite). These returns are estimated for the period as all underlying accounts have not yet been reconciled. All rates of return include reinvested dividends and other earnings. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and transfer fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The performance results for the composite are shown in comparison to an index. The index is not actively managed and does not reflect the deduction of any advisory or other fees and expenses. While the securities comprising the index are not identical to those in the composite, DCM believes this comparison may be useful in evaluating performance. **Please see the notes section for other important information.**

could provide. That, together with continued strong economic and earnings trends, should put the market in a favorable position, as this correction has removed some excess and froth and has adjusted valuations materially lower.

In terms of positioning, the strategy is overweight the following sectors: consumer discretionary, consumer staples, industrials, technology, telecom and financials. Health care, technology, consumer discretionary, and industrials are the four largest absolute weightings. The strategy is underweight health care, real estate, and industrials.

We look forward to the upcoming earnings season to assess the fundamental progress and outlooks of our portfolio companies. We continue to hold and discover an exciting mix of inefficiently priced and less discovered companies that are early in their growth expansions. We are confident that these differentiated companies will continue to gain market share and become larger companies over time.

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

This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC ("Driehaus") as of April 4, 2018 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since April 4, 2018 and may not reflect recent market activity.

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PERFORMANCE as of 3/31/18

	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 1/1/96
DrieHaus Micro Cap Growth Composite (Gross)	5.40%	5.40%	31.57%	14.43%	19.51%	15.10%	21.80%
DrieHaus Micro Cap Growth Composite (Net)	5.13%	5.13%	30.14%	13.08%	18.09%	13.80%	20.88%
Russell Microcap® Growth Index ¹ (Benchmark)	0.99%	0.99%	14.79%	4.65%	10.91%	9.35%	*
Russell 2000® Growth Index ²	2.30%	2.30%	18.63%	8.77%	12.90%	10.95%	7.23%

SECTOR PERFORMANCE ATTRIBUTION 1st Quarter — 12/31/17 to 3/31/18

GICS Sector	DrieHaus Micro Cap Growth Composite (Port) (%)		Russell Microcap® Growth Index ¹ (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect ³	Selection + Interaction ³	Total Effect ³
Consumer Discretionary	18.45	0.76	10.07	-0.86	-0.85	2.42	1.57
Consumer Staples	4.49	0.28	2.89	0.16	0.07	0.05	0.12
Energy	2.80	-0.42	2.34	-0.18	-0.09	-0.13	-0.22
Financials	7.92	0.80	8.17	0.32	-0.02	0.44	0.42
Health Care	26.46	1.71	40.12	1.81	-0.61	0.51	-0.10
Industrials	12.16	-0.89	11.67	-0.10	-0.11	-0.68	-0.79
Information Technology	23.32	3.36	18.81	0.23	0.00	3.11	3.11
Materials	2.53	-0.20	2.03	-0.12	-0.03	-0.05	-0.08
Real Estate	0.10	-0.02	1.84	-0.27	0.25	0.02	0.27
Telecom. Services	1.37	0.03	1.21	-0.00	-0.05	0.08	0.03
Utilities	0.00	0.00	0.85	-0.05	0.07	0.00	0.07
Cash	0.41	0.00	0.00	0.00	0.06	0.00	0.06
Unassigned	0.00	-0.35	0.00	0.00	-0.35	0.00	-0.35
Total	100.00	5.04	100.00	0.94	-1.66	5.76	4.10

Data as of 3/31/18. Preliminary performance data. In US dollars.

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

*The Index's performance is presented for all periods except "Since Inception" because the Index was not established until August 2000.

The performance data represents the strategy's composite of micro cap growth accounts managed by DrieHaus Capital Management LLC (DCM) (the composite). These returns are estimated for the period as all underlying accounts have not yet been reconciled. All rates of return include reinvested dividends and other earnings. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and transfer fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The performance results for the composite are shown in comparison to an index. The index is not actively managed and does not reflect the deduction of any advisory or other fees and expenses. While the securities comprising the index are not identical to those in the composite, DCM believes this comparison may be useful in evaluating performance. **Please see the notes section for other important information.**

¹The Russell Microcap® Growth Index measures the performance of those Russell Microcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Microcap® Index is represented by the smallest 1,000 securities in the small cap Russell 2000® Index plus the next 1,000 securities.

²The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index.

³A definition of this term can be found on page 5.

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

TOP 5 HOLDINGS¹ (as of 2/28/18)

Company	Sector	Description	% of Strategy
Array BioPharma Inc.	Health Care	Drug development company focused on genetically defined cancers	2.6
SMART Global Holdings, Inc.	Information Technology	Provider of specialty memory solutions	2.3
Loxo Oncology Inc	Health Care	Drug development company focused on genetically defined cancers	2.2
Tactile Systems Technology, Inc.	Health Care	Medical device company that sells solutions for patients with lymphadena	2.0
GTT Communications, Inc.	Information Technology	Provider of cloud networking services for global enterprises	2.0

SECTOR WEIGHTS

Month-End Absolute Weights (%)

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecomm. Services	Utilities	Cash
Strategy	18.4	4.7	2.3	7.4	27.7	11.4	22.7	2.4	0.0	1.8	0.0	1.2
Benchmark	9.6	3.0	2.2	8.3	40.5	11.7	18.8	2.1	1.8	1.2	0.9	0.0
Active Weights	8.8	1.7	0.1	-0.9	-12.8	-0.2	4.0	0.3	-1.8	0.6	-0.9	1.2

PORTFOLIO CHARACTERISTICS²

	Strategy	Benchmark	5-year period	Strategy	Benchmark
Number of Holdings	123	885	Annualized Alpha	7.70	n/a
Weighted Avg. Market Cap (M)	\$1,322	\$721	Sharpe Ratio	1.04	0.63
Median Market Cap (M)	\$929	\$231	Information Ratio	1.39	n/a
Active Share (3-year avg.) ³	80.64	n/a	Beta	1.03	1.00
Market Cap Breakout (%)			Standard Deviation	18.43	16.78
< \$1 billion	40.4	74.7	Tracking Error	6.21	0.00
> \$1 billion	59.6	25.3	R-squared	0.89	1.00

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

Data as of 3/31/18. Benchmark: Russell Microcap® Growth Index

¹Holdings subject to change.

²Portfolio characteristics represent the strategy's composite.

³Data is calculated monthly.

ATTRIBUTION ANALYSIS CATEGORIES ARE DEFINED AS:

Allocation Effect - Measures the impact of the decision to allocate assets differently than those in the benchmark.

Security Selection Effect - Measures the effect of choosing securities, which may or may not outperform those of the benchmark.

Interaction Effect - Jointly measures the effect of allocation and selection decisions.

Total Effect - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

Driehaus Capital Management LLC (DCM) is a registered investment adviser with the United States Securities and Exchange Commission (SEC). DCM provides investment advisory services using growth equity strategies to individuals, organizations, and institutions. The firm consists of all accounts managed by DCM (the Company). Prior to October 1, 2006, the firm included all accounts for which Driehaus Capital Management (USVI) LLC (DCM USVI) acted as investment adviser. On September 29, 2006, DCM USVI ceased conducting its investment advisory business and withdrew its registration as a registered investment adviser with the SEC. Effective September 30, 2006, DCM USVI retained DCM as investment adviser to these portfolios.

DCM claims compliance with the Global Investment Performance Standards (GIPS®).

COMPOSITE OBJECTIVES AND ACCOUNTS ELIGIBLE FOR THE MICRO CAP GROWTH COMPOSITE

The Micro Cap Growth Composite (the Composite) presented includes all unleveraged "micro cap growth accounts" over which the Company exercises discretionary investment authority of both cash and equities using the same investment objective and philosophy. The Composite was created in January 1996.

An account is considered to be a micro cap growth account if it primarily invests in U.S. equity securities of growth companies with market capitalization ranges of generally followed micro cap indices at the time of purchase. However, there is no requirement to be exclusively invested in micro cap stocks, and the accounts have invested, to a lesser extent, in stocks with a larger capitalization from time to time.

Once an account has met the above criteria and is fully invested, it is included in the Composite in the next full monthly reporting period. Accounts that change investment strategies are transferred between composites in the first full monthly reporting period in which the account is managed under the new style. Terminated accounts are excluded from the Composite in the first month in which they are not fully invested as of the end of the month.

PERFORMANCE RESULTS

Asset-weighted, net of fee and gross of fee composite returns are presented. Monthly composite returns are calculated as the sum of the monthly returns of each account weighted by the account's beginning monthly value as compared to the Composite total. For periods prior to November 1, 2004, time-weighted account rates of return were calculated on a monthly basis and allowed for the effect of cash additions and withdrawals using the Modified-Dietz method. If a cash contribution or withdrawal exceeded 10% of an account's value, the account was revalued and the return was calculated for the interim period. Effective November 1, 2004, account rates of return are calculated on a monthly basis by geometrically linking daily returns. Monthly composite returns are geometrically linked to determine annual composite returns.

Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and transfer fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts.

The annualized rate of return is presented as the level annual rate which, if earned for each year in a multiple-year period, would produce the actual cumulative rate of return over that period.

For micro cap growth accounts, valuations and returns are computed and stated in U.S. dollars. Securities transactions, which include brokerage commissions, are recorded on a trade date basis and where information is available, income and expense items are recorded on an accrual basis and income and expense items are recorded on an accrual basis. Returns are presented on a pretax basis. Leverage is not a part of the Company's investment strategy for this Composite.

Past performance is not indicative of future results. All investments have risks and you could lose money. Other methods may produce different results and the results for individual accounts and for different periods may vary depending on market conditions and the composition of the account. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods.

Additional information regarding policies for valuing portfolios, calculating and preparing compliant composite presentations are available upon request. A complete listing and description of all composites is also available upon request. Please contact our sales, marketing and relationship management department at 312-932-8621.

TAX EFFECT

The rates of return presented are determined without regard to U.S. tax consequences. Income tax may be withheld on income depending on the tax laws of each country and its treaty, if any, with the U.S. Such withholding taxes are reflected in the performance of accounts.

INDICES

The performance results for the Composite are shown in comparison to indices. While the securities comprising the indices are not identical to those in any account in the Composite, the Company believes this may be useful in evaluating performance. The indices are not actively managed and do not reflect the deduction of any advisory or other fees and expenses.

The Russell Microcap® Growth Index measures the performance of those Russell Microcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Microcap® Index is represented by the smallest 1,000 securities in the small cap Russell 2000® Index plus the next 1,000 securities.

The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index.

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TERMS

Active share represents the share of portfolio holdings that differ from the benchmark index holdings. **Alpha** is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta** is a measure of a portfolio's volatility. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. **Information Ratio (IR)** measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **R-Squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. For fixed-income securities, the benchmark is the T-bill. For equities, the benchmark is the S&P 500. **Sharpe Ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Standard Deviation** is a measure of the average deviations of a return series from its mean; often used as a measure of portfolio volatility. A large standard deviation implies that there have been large swings or volatility in the manager's return series. **Tracking Error** is a divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.