

Driehaus Small Cap Growth Strategy

Key Features

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

Inception Date

January 1, 1980

Composite Assets Under Management¹

\$207 million

Total Strategy Assets: \$213 million

Firm Assets Under Management

\$9.0 billion

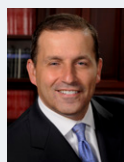
Investment Style

Growth equity

Available Investment Vehicle:

Separately managed account
Mutual Fund

Portfolio Managers



Jeff James

Portfolio Manager
26 years of industry experience



Michael Buck

Assistant Portfolio Manager
16 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

The third quarter was very positive for US equities with the major indices hitting new all-time highs. By month, stocks generally went sideways in July, sold off during August and rallied sharply during September, avoiding a selloff during what is usually a treacherous seasonal period. Equities are being driven by accelerating US and global economic conditions, strong earnings, accommodative monetary policy and renewed hope for reduced US corporate tax rates.

Accelerating US economic growth was recently punctuated by the September Institute for Supply Management (ISM) manufacturing Purchasing Managers Index (PMI) of 60.8, its highest level since May of 2004, and the September ISM services PMI of 59.8, its strongest number since August of 2005. These robust PMIs are historically consistent with sustained economic expansion. The most recent jobs report also showed that average hourly earnings (AHE) rose 2.9% year-over-year, the biggest increase since before the financial crisis. This gives further support for the Federal Open Market Committee (FOMC) to resume rate increases before year end.

Low economic growth and subdued inflation have been two key characteristics of this market cycle, resulting in sustained expansion with few signs of the economy overheating. Going forward, this recent acceleration in wages and PMIs will have to be watched closely to see if it will lead to higher inflation and more aggressive action by the Federal Reserve. This is a key risk as tighter monetary policy is what

typically leads to the end of an economic and market cycle. On the more sanguine side, the higher wages missing from this entire expansion may finally be occurring and could strengthen consumer spending and business investment. In addition, the numerous factors keeping inflation in check (globalization, the Internet, technology, etc.) could continue to keep a lid on inflation.

Above all other factors, the market rally year-to-date has been all about earnings. Earnings drive stock prices. Aggregate earnings are at new highs, which helps explain why equity prices are at new highs.

The lack of volatility has been another major characteristic of the market thus far in 2017. Headlines continue to be dominated by chaos inside the White House and in Congress. Mostly the markets are ignoring this noise as investors are instead focusing on strong earnings and economic data which are keeping volatility low. Growth slowdowns cause market pullbacks, but instead, growth is improving. Also, most investors, feeling valuations are stretched and fearing a market dip, have been cautious. This tepid sentiment is perhaps causing the market to climb the wall of worry as growth prospects continue to improve.

Trump's tweets and combativeness may grab the media's attention, but again investors are focused on those policies that will impact the economy and earnings. Deregulation across many industries appears to be fueling improved confidence and helps to drive improved economic conditions. With another failed effort at

health care reform, tax policy (namely lower corporate tax rates, as true reform is unlikely) is up next. The likelihood of 'something getting done' is higher here than with health care reform, but it is difficult to count on Congress. The devil is in the details but if accomplished, lower tax rates would be a huge boost for corporate earnings, especially for micro and small cap companies. A potential earnings increase would result in a corresponding reduction in valuations (P/E ratios), as some of the recent market advances were likely driven by renewed optimism that some tax cuts will pass. For now, while hopeful, we are not counting on Congress's ability to come together. So we continue to focus on earnings and company fundamentals which remain encouraging for our portfolio holdings.

PERFORMANCE REVIEW

For the third quarter, the Driehaus Small Cap Growth strategy outperformed its benchmark by 11 basis points. The strategy returned 6.33%, net of fees, while the Russell 2000 Growth Index rose 6.22%.¹

By sector, the strategy's relative outperformance occurred in consumer discretionary, financials, consumer staples, materials and technology, and industrials. The strategy underperformed on a relative basis in health care, mostly due to being underweight the sector and

some relative stock underperformance. On an absolute basis, every sector contributed to the positive returns for the quarter, but technology, industrials and consumer discretionary contributed about three quarters of the portfolio's returns on a combined basis.

Strong quarterly earnings across the strategy drove the results. Technology's positive performance was led by semiconductors, semi cap equipment and internet software. Industrials positive performance came from the air cargo, trucking, machinery and alternative energy sub-sectors. Finally, the gains in consumer discretionary were broad-based with particular strength in specialty retail, auto parts, household durables and leisure products.

In August, we were excited to launch a new mutual fund for the Driehaus Small Cap strategy by converting some long standing limited partnership accounts. The ticker symbols for the mutual fund are DVSMX (Investor Class) and DNSMX (Institutional Class).

OUTLOOK & POSITIONING

The synchronized global growth backdrop is accelerating and provides a bullish environment for equities. Strong earnings and accommodative monetary policy round out this picture. We believe the outlook

continues to remain sustainable looking at a wide number of economic indicators, including the manufacturing and services PMI (both at decade-plus year highs) and the Conference Board's Leading Economic Indicators (LEI). Credit conditions remain very benign and the shape of the yield curve is still positive. Higher GDP and wage growth will have to be watched carefully to see if inflation speeds up enough to cause the dovish Federal Reserve to become more hawkish. This dynamic will be one of the major risks as we close out 2017 and head into 2018.

In terms of positioning, the strategy is overweight the following sectors: consumer discretionary, technology and real estate. Technology, health care, industrials and consumer discretionary are the four largest absolute weightings. The strategy is underweight health care, consumer staples, materials and utilities. It is equal weight industrials and energy.

We have strong conviction in the current fundamentals and outlooks for the holdings in the strategy. We continue to focus on companies with high revenue and earnings visibility, strong end markets and healthy balance sheets. We have an abundant number of well positioned growth companies that are differentiated, innovative and are market leaders, which we believe will continue to exceed forward expectations.

¹The performance data represents the strategy's composite of small 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.**

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 October 10, 2017 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since October 10, 2017 and may not reflect recent market activity.

The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

PERFORMANCE as of 9/30/17

	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 1/1/80
DrieHaus Small Cap Growth Composite (Gross)	6.44%	22.63%	20.93%	15.98%	18.27%	9.29%	17.82%
DrieHaus Small Cap Growth Composite (Net)	6.26%	21.80%	19.84%	14.94%	17.22%	8.33%	17.03%
Russell 2000® Growth Index ¹ (Benchmark)	6.22%	16.81%	20.98%	12.17%	14.28%	8.47%	8.96%

SECTOR PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/17 to 9/30/17

GICS Sector	DrieHaus Small Cap Growth Composite (Port) (%)		Russell 2000 Growth Index ¹ (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect ²	Selection + Interaction ²	Total Effect ²
Consumer Discretionary	16.89	0.82	14.40	0.68	-0.04	-0.10	-0.13
Consumer Staples	0.86	0.14	2.71	0.04	0.06	0.08	0.14
Energy	0.16	0.04	1.13	0.03	0.12	-0.08	0.03
Financials	7.76	0.89	6.46	0.37	-0.06	0.53	0.47
Health Care	19.31	0.18	25.26	1.80	-0.12	-1.13	-1.25
Industrials	17.75	1.39	17.30	1.59	0.00	-0.10	-0.10
Information Technology	25.74	2.25	22.62	1.19	0.02	0.67	0.70
Materials	3.11	0.29	4.62	0.27	-0.02	0.14	0.12
Real Estate	5.30	0.38	3.52	0.05	-0.01	0.28	0.27
Telecomm. Services	1.96	0.06	1.24	0.12	-0.01	-0.13	-0.14
Utilities	0.00	0.00	0.74	0.01	0.03	0.00	0.03
Cash	1.16	0.01	0.00	0.00	0.13	0.00	0.13
Unassigned	0.00	-0.19	0.00	0.00	-0.19	0.00	-0.19
Total	100.00	6.25	100.00	6.16	-0.07	0.15	0.08

Data as of 9/30/17. Preliminary performance data. In US dollars.

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

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 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. ²The 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 8/31/17)

Company	Sector	Description	% of Strategy
Lumentum Holdings, Inc.	Information Technology	A provider of optical and photonic products for a range of end market applications	2.1
XPO Logistics, Inc.	Industrials	A global provider of supply chain solutions	2.0
RingCentral, Inc. Class A	Information Technology	A provider of software-as-a-service (SaaS) solutions for businesses to support modern communications	2.0
Tower Semiconductor Ltd	Information Technology	Operates as an independent semiconductor foundry focused primarily on specialty process technologies	1.8
GTT Communications, Inc.	Information Technology	A provider of cloud networking services	1.7

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	17.5	1.7	1.3	8.2	19.8	16.0	28.1	3.1	1.7	2.2	0.0	0.3
Benchmark	14.1	2.7	1.2	6.5	25.5	17.8	22.3	4.6	3.4	1.3	0.7	0.0
Active Weights	3.5	-0.9	0.1	1.7	-5.7	-1.8	5.8	-1.5	-1.6	0.9	-0.7	0.3

PORTFOLIO CHARACTERISTICS²

	Strategy	Benchmark	5-year period	Strategy	Benchmark
Number of Holdings	106	1,172	Annualized Alpha	3.11	n/a
Weighted Avg. Market Cap (M)	\$2,536	\$2,421	Sharpe Ratio	1.08	0.96
Median Market Cap (M)	\$2,062	\$987	Information Ratio	0.61	n/a
Active Share (3-year avg.) ³	85.30	n/a	Beta	1.05	1.00
Market Cap Breakout (%)			Standard Deviation	16.72	14.70
< \$2.5 billion	58.1	55.1	Tracking Error	6.49	0.00
\$2.5 - \$15 billion	41.9	44.8	R-squared	0.85	1.00
> \$15 billion	0.0	0.0			

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 9/30/17. Benchmark: Russell 2000® Growth Index

¹Holdings subject to change.

²Portfolio characteristics represent the strategy's composite.

³Data is calculated monthly.

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 SMALL CAP GROWTH COMPOSITE

The Small Cap Growth Composite (the Composite) presented includes all unleveraged "small cap growth accounts" over which the Company exercises discretionary investment authority of both cash and equities using the same investment objective and philosophy. The Company changed the name of the Composite from Small Cap Composite to Small Cap Growth Composite in 2008 to more appropriately reflect the investment strategy of the Composite. The Composite was created in January 1993.

An account is considered to be a small cap growth account if it primarily invests in U.S. equity securities of high growth companies within market capitalization ranges of generally followed small cap indices at the time of purchase. However, there is no requirement to be exclusively invested in small cap stocks, and the accounts have invested, to a lesser extent, in stocks with a smaller or 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 small cap growth accounts, valuations and returns are computed and stated in U.S. dollars. After March 1, 1990, 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. Prior to 1990, settlement date valuation was used and interest and dividends were recorded on a cash 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 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.