

Driehaus Small/Mid Cap Growth Strategy

Key Features

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

Inception Date

February 1, 2012

Composite Assets Under Management¹

\$133 million

Total Strategy Assets: \$133 million

Firm Assets Under Management

\$8.8 billion

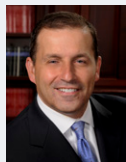
Investment Style

Growth equity

Available Investment Vehicle:

Separately managed account

Portfolio Managers



Jeff James

Portfolio Manager

26 years of investment experience



Michael Buck

Assistant Portfolio Manager

16 years of investment 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 second quarter was positive for US equities with the major indices appreciating by a low-to-mid single-digit percentage. Firmer economic growth and better corporate earnings boosted equities during the second quarter. The macro environment was characterized by improving US and global economic growth, low volatility, lower prices for crude oil and other commodities, a weaker US dollar, lower US treasury yields and a yield curve that flattened somewhat (although yields and the curve have reversed higher in the past two weeks).

Following the US election in November, value and cyclical stocks rallied sharply on the hopes of accelerating economic growth and higher inflation creating one of the widest divergences in the performance of value versus growth in many years. In contrast, the first half of 2017 was dominated by the return of growth outperforming value. Economic growth, while positive and sustainable, remains in the low 2% range, not the 3-4% range that post-election hopes entertained. Inflation and wage growth remain low. This combination of low economic growth and subdued inflation are keeping yields low and contributing to the return of growth's leadership versus value.

The Federal Reserve (Fed) remains in a pattern of raising/normalizing rates as economic growth is positive and the labor markets head toward full employment. The Fed is also preparing the market for balance sheet normalization. Other central bankers, such as the European Central Bank, are also sounding more hawkish. While these are all tightening steps, the pace is so measured that monetary policy remains very accommodative, which is positive for sustained economic growth, credit conditions and equity markets.

Overall, the first half of 2017 was a positive one for equities as earnings growth re-accelerated and the economic outlook improved. Historically, a strong first half under these conditions bodes well for equity performance in the second half. Market valuations remain elevated overall but as earnings growth has improved, market multiples have actually remained flat or even dropped in the first half as earnings growth outpaced the market's appreciation year to date for most market cap ranges.

PERFORMANCE REVIEW

For the second quarter, the Driehaus Small/Mid Cap Growth strategy outperformed its index. The strategy returned 4.14%, net of fees, while the Russell 2500 Growth Index rose 4.13%. By style, growth outperformed value across the board for all market cap ranges. By sector, the strategy's relative outperformance occurred in technology, consumer staples, and industrials.

The strategy underperformed in the financials, materials, and health care sectors.

Strong earnings across the strategy drove the results.

In addition, the fundamental outlook for our holdings remained strong. Technology's outperformance was broad-based, led by software, electronic equipment and semiconductors. Following an extended run of outperformance, the overweight in technology was reduced in June. Industrials contributed positively, aided by numerous stocks and sub-sectors, including aerospace and defense, electrical equipment, distributors, and building products.

While overall portfolio outperformance was broad-based, in terms of lagging sectors,

consumer staples and materials were hurt of weak commodity prices and weak sector performance. The exposure to these sectors was minimal.

OUTLOOK & POSITIONING

While the pace of economic growth could be higher, most economic indicators remain generally supportive of sustainability. The Conference Board's Leading Economic

“Prospects for economic growth have improved and many sectors have benefitted.”

Indicators (LEI) hit a new cycle high during the quarter. Looking back over the past several decades, when the LEI have hit a new cycle high, it has coincided with multiple years remaining in the economic cycle. Credit conditions, inflation, the yield curve, and various key sectors suggest sustainability as well.

Volatility remains low and will likely increase in the third quarter, as it often does. Initial optimism about the Trump administration could continue to fade as the market's patience is tested by what has historically

been a slow-moving legislative process. Geopolitical issues, growing inflation expectations, the shape of the yield curve and the Fed's pace of rate increases may also generate market turbulence. Nonetheless, prospects for economic growth have improved and many sectors have benefitted. While absolute valuations are high, growth equities have become relatively attractive on a historical basis given their better earnings

and the dramatic outperformance over value stocks last year. The same is true for relative valuations now favoring small caps versus large caps.

In terms of positioning, the strategy is overweight the following sectors: consumer discretionary, technology, financials 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.

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 July 20, 2017 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since July 20, 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 6/30/17

	Annualized Total Return					
	QTR	YTD	1 Year	3 Year	5 Year	Inception 2/1/12
Driehaus Small/Mid Cap Growth Composite (Gross)	4.31%	12.38%	22.39%	9.02%	14.17%	13.37%
Driehaus Small/Mid Cap Growth Composite (Net)	4.14%	12.00%	21.56%	8.26%	13.39%	12.61%
Russell 2500® Growth Index (Benchmark) ¹	4.13%	10.63%	21.44%	7.65%	14.33%	13.31%

SECTOR PERFORMANCE ATTRIBUTION 2nd Quarter — 3/31/17 to 6/30/17

	Driehaus Small/Mid Cap Growth Composite (Port) (%)		Russell 2500 Growth Index ¹ (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
GICS Sector							
Consumer Discretionary	16.54	0.19	16.38	0.31	-0.01	-0.05	-0.10
Consumer Staples	1.11	0.04	3.50	-0.13	0.19	0.08	0.27
Energy	0.80	-0.20	1.06	-0.22	-0.04	0.06	0.01
Financials	5.80	-0.21	6.83	0.17	-0.04	-0.32	-0.35
Health Care	16.69	1.45	19.36	1.84	-0.10	-0.14	-0.24
Industrials	26.40	0.76	18.32	0.15	-0.27	0.52	0.25
Information Technology	23.92	1.69	21.56	1.24	0.07	0.26	0.34
Materials	3.81	0.00	6.65	0.36	-0.05	-0.23	-0.27
Real Estate	3.23	0.38	5.21	0.22	-0.01	0.25	0.24
Telecomm. Services	0.90	0.22	0.76	0.09	0.00	0.12	0.12
Utilities	0.00	0.00	0.39	0.02	-0.01	0.00	-0.01
Cash	0.80	0.00	0.00	0.00	0.01	0.00	0.01
Unassigned	0.00	-0.18	0.00	0.00	-0.18	0.00	-0.18
Total	100.00	4.15	100.00	4.05	-0.43	0.55	0.10

Data as of 6/30/17. Preliminary performance data.

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

The performance data represents the strategy's composite of small/mid 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 2500® Growth Index measures the performance of those Russell 2500® Index companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends.

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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.

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. **Currency Effect** - The currency effect is the portion of the total effect the portfolio manager can potentially influence by using currency hedging. **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.

PORTFOLIO CHARACTERISTICS¹

	Strategy	Benchmark	<i>Market Cap Breakout</i>	Strategy	Benchmark
Number of Holdings	117	1,436	< \$2.5 billion	13.2%	29.1%
Weighted Avg. Market Cap (M)	\$6,638	\$4,750	\$2.5 - \$15 billion	80.2%	70.9%
Median Market Cap (M)	\$5,024	\$1,260	> \$15 billion	6.6%	0.0%
Active Share (3-year avg.) ²	85.76	n/a			

TOP 5 HOLDINGS³ (as of 5/31/17)

Company	Sector	Description	% of Strategy
Albemarle Corporation	Materials	A global developer, manufacturer and marketer of highly-engineered specialty chemicals	2.1%
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	1.9%
Mettler-Toledo International Inc.	Health Care	A supplier of precision instruments and services	1.7%
Waste Connections, Inc.	Industrials	A integrated municipal solid waste (MSW) services company	1.6%

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	17.6%	1.0%	0.6%	5.7%	18.6%	24.2%	24.4%	2.8%	2.7%	1.2%	0.0%	1.3%
Benchmark	15.6%	2.3%	1.6%	7.8%	18.8%	18.8%	23.4%	6.6%	3.9%	0.8%	0.4%	0.0%
<i>Active Weights</i>	2.1	-1.3	-1.0	-2.1	-0.2	5.3	1.1	-3.8	-1.2	0.3	-0.4	1.3

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/17. Benchmark: Russell 2500[®] Growth Index

¹Portfolio characteristics represent the strategy's composite.

²Data is calculated monthly.

³Holdings subject to change.

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/MID CAP GROWTH COMPOSITE

The Small/Mid Cap Growth Composite includes all unleveraged "small/mid cap growth" accounts over which DCM exercises discretionary investment authority of both cash and equities using the same investment objective and philosophy.

An account is considered to be a small/mid cap growth account if it primarily invests in U.S. equity securities of high growth companies with market capitalization range at the time of purchase as those included in the Russell 2500® Growth Index.

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 at the beginning of the 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/mid accounts, valuations and returns are computed and stated in U.S. dollars. After January 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. 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 2500® Growth Index measures the performance of those Russell 2500® Index companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends.

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TERMS

Active share represents the share of portfolio holdings that differ from the benchmark index holdings.

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For more information about Driehaus Capital Management LLC, please contact us at 312.932.8621.