Driehaus Micro Cap Growth Strategy

Key Features

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

Inception Date
January 1, 1996

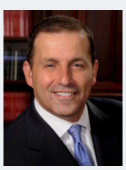
Composite Assets Under Management[1]
$1,296 million
Total Strategy Assets: $1,321 million

Firm Assets Under Management
$8.1 billion

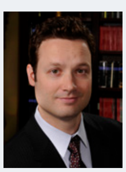
Investment Style
Growth equity

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

[1]Composite 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.

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MARKET OVERVIEW

For US micro caps, the September quarter was a positive one as the Russell Micro Cap Growth Index rose for the quarter and hit new highs at the end of August. However, micro caps declined for the month of September and underperformed the S&P 500 for the quarter.

An accelerating US economy, boosted by lower corporate tax rates and deregulation continued to fuel earnings to record highs. These earnings helped drive equity prices higher in July and August. In September and early October, market breadth deteriorated, volatility rose and profit taking ensued, leading smaller caps to pull back. This decline has likely been driven by higher interest rates, contrarian concerns over the strong US economic data, economic weakness overseas and elevated valuations.

Nine years into this US economic expansion, numerous indicators are giving investors different signals as to where we are in this cycle. A robust labor market with the unemployment rate at 3.7% (the lowest since 1969) and both consumer and business confidence at multi-year highs suggest that we are late in the cycle. Yet a greater number of indicators suggest we are not late in the cycle. These include surging profits, slowly rising wage growth, still-restrained inflation, favorable lending standards and very benign credit conditions. There are also early signs of rising capital expenditures which could finally drive higher productivity which will help keep inflation low. Everyone is watching the yield curve that has flattened over the past year to a recent low of under 30 basis points. But from this level, historically it has still taken multiple years to invert when looking at prior cycles. The rise in rates at the long-end of the curve also supports that optimistic outcome. The Conference Board's Leading Economic Indicators or LEIs, a broad measure of ten different forward looking indicators, are still making new highs which historically suggests there are multiple years left in this expansion.

The loud trade rhetoric and aggressive tariffs against many US trading partners have stoked fears of a "trade war". The trade war was one factor helping small caps to outperform large caps in the first half of the year as the more US-centric small caps have less exposure to overseas markets. The trade war fears should subside with deals signed with two of our largest trading partners, Mexico in late August and Canada in late September. This agreement on a new NAFTA, or the USMCA, is scant on real reforms, but is likely driving the recent performance gap in small caps versus large caps. Also, with discussions of trade deals with Europe and South Korea in the works, that leaves China as the administration's sole and only real trade focus. With the US market (S&P 500 up YTD) "winning" year-to-date, outperforming the Chinese market (down over 25%), there are few signs that US-China trade war will be resolved soon.

The current outlook for the US economy and US corporate earnings support additional and sustainable growth. While growth rates will decelerate for both GDP and earnings as we finish the second half of 2018 and head into 2019, the consensus outlook is for continued growth into 2019. This suggests higher inflation, bond yields, real GDP, earnings and equity prices.

As of early October, profit taking and higher rates are driving the current pull back and weaker market breadth. The weaker market breadth causes market divergences between sectors, but is a positive for active stock selection. Looking at the divergences further, within technology, software and ecommerce have been very strong while semiconductors and hardware have lagged. Yet cloud software is pulling back as elevated valuations reset with the recent profit taking. Healthcare has been a leader as biotech and medical devices have been outperformers, but those sub-sectors are also pulling back as growth stocks in general experience some profit taking. Consumer discretionary continues to act like a leading sector. Financials and banks have been laggards due to the flatter yield curve. Home builders and related suppliers have been weak as rates have risen and home affordability has become an issue. Many cyclicals have been lagging while others like energy and industrials have been performing better of late as crude oil has risen and the several major trade agreements are being ironed out.

As a sign that investor risk appetite is still healthy, IPO activity remains strong. 2018 is on track to be the strongest year since 2014, which should end up being one of the strongest years for new issuance since 2000. Looking ahead, the IPO pipeline is healthy and the volume of deals is expected to remain strong well into 2019.

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For the time being, while current market weakness may continue, it is likely transient as seasonality (end of year and mid-terms) kicks in and as earnings and the economy continue to grow and inflation and the FOMC's rate increases continue to be gradual. The LEIs are positive and credit stress is low, suggesting growth ahead until there are identifiable recessionary signs in sight.

PERFORMANCE REVIEW

For the third quarter, the Driehaus Micro Cap Growth strategy outperformed its benchmark. The strategy returned 11.24%, net of fees, while the Russell Micro Growth Index rose 3.15%.[1]

By sector, for the quarter, the strategy's relative outperformance was dominated by health care, technology, consumer discretionary and consumer staples. Portfolio holdings in all four of those major sectors experienced strong earnings. The portfolio returns and the total contribution in all four sectors far exceeded the performance of those sectors in the benchmark. Communication services, materials, financials, and energy were modest outperformers. On the downside, the strategy did not have any sectors that contributed negatively in absolute terms and only real estate contributed negatively in relative terms, contributing negative 5 basis points to the portfolio's total return for the quarter.

Health care's outperformance was led by significant gains in a broad number of biotech and medical device companies. Technology was again led by very broad leadership in cloud-based enterprise and internet software and e-commerce. Consumer discretionary had solid outperformance from a number of brand-name consumer companies, in areas ranging from apparel, boats, golf, retail, restaurants, gaming and e-commerce companies. Industrials

[1]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.

had positive performance from a number of machinery manufacturers and defense contractors.

OUTLOOK & POSITIONING

A quarter ago, our view was that the trade war pre-occupying the market would have only had a slightly modest impact on economic growth and that the US economy was strong enough to absorb any impact. Fortunately, it now appears that at least verbal agreements have been established with most of the US's major trading partners, with the big exception being China. That trade battle will likely linger on for the foreseeable future. We have minimal direct exposure to China in our portfolio, but the market's focus on trade policy is clearly impacting market multiples broadly.

Corporate earnings should again be robust overall and particularly so for our portfolio companies. We believe the fundamental outlooks for the remainder of the year will also remain positive. With a healthy earnings outlook, sustained economic growth and benign credit conditions, most key economic statistics and indicators will continue to trend positively. Despite that sanguine outlook, the equity market's breadth and leadership has been mixed and varies across multiple sectors.

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

We look forward to the upcoming earnings season to assess the fundamental progress of our portfolio companies. We continue to hold and discover an exciting number of companies across a wide number of industries that are hitting growth inflections or are in sustainable growth paths. We are confident that these differentiated companies will gain market share, exceed expectations and will become larger companies over time.

PERFORMANCE as of 9/30/18

				Annualized Total Return			
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 1/1/96
Driehaus Micro Cap Growth Composite (Gross)	**11.52%**	**37.32%**	**43.89%**	**27.74%**	**19.89%**	**18.99%**	**22.69%**
Driehaus Micro Cap Growth Composite (Net)	11.24%	36.26%	42.40%	26.28%	18.49%	17.65%	21.76%
Russell Microcap® Growth Index[1]	3.15%	14.32%	15.38%	14.27%	9.42%	11.38%	*

SECTOR PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/18 to 9/30/18

	Driehaus Micro Cap Growth Composite (Port) (%)		Russell Microcap® Growth Index[1] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect[2]	Selection + Interaction[2]	Total Effect[2]
Comm. Services	3.03	0.59	3.68	0.30	-0.01	0.34	0.33
Consumer Discretionary	18.38	1.32	9.86	-0.12	-0.37	1.52	1.15
Consumer Staples	6.62	0.99	2.28	0.27	0.41	0.15	0.56
Energy	1.98	0.12	2.77	-0.28	0.13	0.33	0.47
Financials	6.22	0.11	11.24	-0.30	0.35	0.24	0.59
Health Care	35.56	6.67	41.08	2.96	-0.21	3.85	3.65
Industrials	10.77	0.21	11.12	0.17	0.00	0.02	0.01
Information Technology	16.59	1.56	14.09	-0.04	-0.12	1.79	1.67
Materials	0.38	0.04	1.96	-0.03	0.07	0.08	0.15
Real Estate	0.04	0.00	1.16	0.12	-0.06	0.01	-0.05
Utilities	0.00	0.00	0.67	0.05	-0.01	0.00	-0.01
Cash	0.44	0.00	0.00	0.00	-0.02	0.00	-0.02
Other	0.00	-0.32	0.07	0.02	-0.32	0.00	-0.32
Total	**100.00**	**11.28**	**100.00**	**3.13**	**-0.16**	**8.32**	**8.16**

Data as of 9/30/18. 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.**

[1]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.

[2]A definition of this term can be found on page 5.

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 HOLDINGS[1] (as of 8/31/18)

Company	Sector	Description	% of Strategy
Tactile Systems Technology, Inc.	Health Care	Medical device company that sells solutions for patients with lymphedema	2.3
Inogen, Inc.	Health Care	A manufacturer of portable oxygen concentrators	2.1
Altair Engineering Inc. Class A	Information Technology	Software for product design and development applications	1.9
Loxo Oncology Inc	Health Care	Drug development company focused on genetically defined cancers	1.8
Everbridge, Inc.	Information Technology	Develops software solutions for critical event management and enterprise safety applications	1.6

SECTOR WEIGHTS

Month-End Absolute Weights (%)

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
Strategy	3.0	18.1	6.1	2.8	4.9	35.7	11.4	17.5	0.0	0.4	0.0	0.0
Benchmark	3.7	9.9	2.4	2.6	10.5	43.2	10.5	13.4	1.9	1.2	0.7	0.0
Active Weights	*-0.7*	*8.3*	*3.8*	*0.2*	*-5.7*	*-7.5*	*0.9*	*4.1*	*-1.9*	*-0.8*	*-0.7*	*0.0*

PORTFOLIO CHARACTERISTICS[2]

	Strategy	Benchmark
Number of Holdings	127	957
Weighted Avg. Market Cap (M)	$1,526	$735
Median Market Cap (M)	$1,038	$265
Active Share (3-year avg.)[3]	81.20	n/a
Market Cap Breakout (%)		
< $1 billion	40.7	75.2
> $1 billion	59.3	24.9

5-year period	Strategy	Benchmark
Annualized Alpha	9.29	n/a
Sharpe Ratio	1.00	0.54
Information Ratio	1.42	n/a
Beta	1.08	1.00
Standard Deviation	19.35	16.66
Tracking Error	7.39	0.00
R-squared	0.86	1.00

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 9/30/18. Benchmark: Russell Microcap® Growth Index
[1]Holdings subject to change.
[2]Portfolio characteristics represent the strategy's composite.
[3]Data 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.

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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.

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