HEPTAGON Capital

Driehaus US Micro Cap Equity Fund

Q3 2024 Commentary

Portfolio Management

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Michael Buck

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Investment Objective

The investment objective of the Fund is to achieve long-term capital growth. The Fund's Sub-Investment Manager, Driehaus Capital Management LLC, is a privately-held boutique asset management firm located in Chicago, USA. The firm was founded in 1982 and has USD 19.7 billion of assets under management.

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Opinions expressed whether in general or in both on the performance of individual investments and in a wider economic context represent the views of the contributor at the time of preparation.

The **Driehaus US Micro Cap Equity Fund** (the "Fund") is a sub-fund of Heptagon Fund ICAV which is an open-ended umbrella type investment vehicle authorised pursuant to UCITS regulations. Heptagon Capital Limited ("Heptagon") is the Investment Manager and Driehaus Capital Management LLC ("Driehaus") is the Sub-Investment Manager meaning Driehaus exercises discretionary investment authority over the Fund. The Fund was launched on 7th December 2016 and had AUM of USD 922m as of 30th September 2024. During the third quarter of 2024, the Fund underperformed the Russell Micro Cap Growth Index TR USD (the "Index"), returning 8.1% (C USD share class) compared to 8.6% for the Index.

Market Overview

The U.S. equity market experienced a volatile but strong September quarter. Micro and small caps outperformed large caps as inflation data continued to trend lower and the Federal Reserve began its rate cutting cycle by reducing the Federal Funds Rate by 50 basis points in mid-September. Despite concerns of a potential recession largely due to a rise in the unemployment rate, the U.S. economy continued to exhibit positive growth. There were some areas of economic weakness but overall healthy consumer spending, strength in the service economy and evidence of improved productivity helped estimated GDP rise nearly 3% over the quarter.

Each individual month during the quarter was quite eventful:

- The month of July saw near record setting outperformance by small caps versus large caps. For the month, the small cap Russell 2000 Index rose 10.2%, the Russell 2000 Growth Index gained 8.2%, while the S&P 500 lagged, rising just 1.2%. The trigger for the surge in small caps began on July 11th as the U.S. CPI (Consumer Price Index) was favorably below expectations. Together with dovish comments by Fed Chair Jerome Powell, the odds of a reduction in the Federal Funds Rate beginning in September increased from 75% to near 100% based on the Fed Fund Futures market. Another factor that drove the rotation into small caps was the failed assassination attempt on Donald Trump causing a surge in the polls for

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the former president. Then continued health concerns for Joe Biden and his sudden exit from the presidential race dramatically increased the odds in favor of Donald Trump winning in November. The market viewed a Trump victory as bullish for small caps and the U.S. economy. The election picture soon shifted again when Vice President Kamala Harris became the Democratic nominee causing the election odds to be roughly a 50/50 toss up for the time being.

- The small cap outperformance in July was quickly reversed in the first few days of August as the S&P 500 fell over 6% and the Nasdaq Composite and the Russell 2000 both dropped nearly 10%. This sharp sell-off was due to a partial unwind of the Yen carry trade. Additionally, the July nonfarm payrolls report came in well below expectations with the unemployment rate rising to 4.3% from 4.1% in July. This increased the fear of a recession as the Sahm Recession Indicator was triggered. Then strength in several economic indicators and a continued strong earnings season quickly caused equities to stabilize and rally throughout the rest of the month with small cap indices finishing down just over a percent and the S&P 500 gaining just over two percent for the month.
- The month of September (nearly always a volatile month historically) also saw a sell-off to begin the month. This was triggered by renewed fears of an economic slowdown. Sentiment temporarily shifted to the idea that the Fed was about to cut rates due to economic weakness rather than simply inflation positively trending towards their 2% target. Then, like in August, economic data quickly turned positive again causing equities to rally broadly for the rest of September.

If the Fed is cutting rates due to economic weakness leading to a recession, U.S. equities have a rather poor track record of performance over the coming year with the market averaging low single digit negative returns in five instances since 1974. However, if the Fed is cutting rates with no recession, the market has averaged positive double digit returns over the seven instances since 1971, with all seven periods delivering positive returns. Driehaus believe the current economic conditions fit the latter case with no recession expected in the near-term. Please see the table below.

Exhibit 1: Fed Cut Versus Economic Cycle

We are here

Fed cut + recession:
July '74, April '80, June '81, Jan '01, Sept '07

	% return (avg)	Win-ratio
12 Months Trailing	1.6%	60%
Week 1	-0.3	20
Weeks 2-4	0.1	60
1 Month Forward	0.5	60
3 Months Forward	-7.5	20
6 Months Forward	-3.5	20
9 Months Forward	-4.0	40
12 Months Forward	-2.3	40

Fed cut + "no landing":
Jan '71, Oct '84, Oct '87, June '89, July '95, Sept '98, July '19

	% return (avg)	Win-ratio
12 Months Trailing	7.9%	71%
Week 1	-0.8	57
Weeks 2-4	3.0	71
1 Month Forward	2.9	71
3 Months Forward	8.4	100
6 Months Forward	12.8	100
9 Months Forward	13.1	86
12 Months Forward	15.8	100

100%

Source: Fundstrat

Why do Driehaus see the current economic environment as non-recessionary?

Over the past two years, a U.S. recession was widely expected by market participants due to: 1) the 500 basis point rise in the Federal Funds Rate as the Federal Reserve tightened monetary policy conditions to fight inflation and 2) the yield curve became sharply inverted for a record length of time. Typically, and historically, these two factors lead to a recession. However, a recession has not appeared. Why?

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It is possible that a series of major industries across the U.S. experienced downturns or rolling recessions individually but combined they never caused the broader economy to turn negative. For instance, major industries such as technology, housing, banking, transports and manufacturing all saw slowdowns over the past few years but not all at once. As offsets, themes such as reshoring, infrastructure, AI (Artificial Intelligence) all appear to have boosted the broader economy. Additionally, the service side of economy and consumer spending have both remained strong and both make up significant portions of the U.S. economy. Finally, the strong labor market, the lack of a credit contraction and rising productivity have all been supportive of economic growth as well. If these current dynamics prove sustainable, it is likely that the economy will continue to grow and will defy the usual historical pattern of a recession after a sharp rate tightening cycle and the inverted yield curve. There are certainly areas of weakness within the economy such as in transports, manufacturing and the lower end consumer, but lower rates should help support and strengthen these areas.

What is Driehaus's current outlook for small caps?

Small caps have generally underperformed large caps over the past several years. This has caused many market observers to question the outlook for small caps given the tremendous outperformance of large caps and the love for the Magnificent Seven mega cap technology stocks. Nonetheless, the investment team view the current environment as supportive of small caps for several reasons:

- The early 2021 to late 2023 bear market for the U.S. equity market overall caused small caps to underperform which is consistent with other bear markets historically. Driehaus believe a new bull cycle has been underway since the late October 2023 market low. Historically small caps do well versus large caps in the initial handful of years after major market lows, looking at data over the past five decades.
- This underperformance of small caps and relative outperformance of large caps have created a historical anomaly where small caps trade at a deep valuation discount relative to large caps. Looking at the valuation data since the inception of the Russell 2000 small cap index in 1979, small caps often trade at a premium to large caps, but there have been two periods where small caps have traded at a deep discount – the early 2000s and currently. After the early 2000s Nasdaq Bubble, that valuation discount helped propel small caps to outperform the broader market for much of the remainder of that decade until before the GFC (the Great Financial Crisis). Consider the following two exhibits on valuation:

Exhibit 2: Small Caps Remain Historically Cheap vs Large Caps

Relative Forward P/E: Russell 2000 vs Russell 1000, 1985-9/30/2024

Source: BofA US Equity & Quant Strategy, FactSet

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Exhibit 3: Small caps trade at a historical discount vs large on all metrics we track

Relative Valuations for the Russell 2000 vs the Russell 1000 (1/31/1985-9/30/2024)

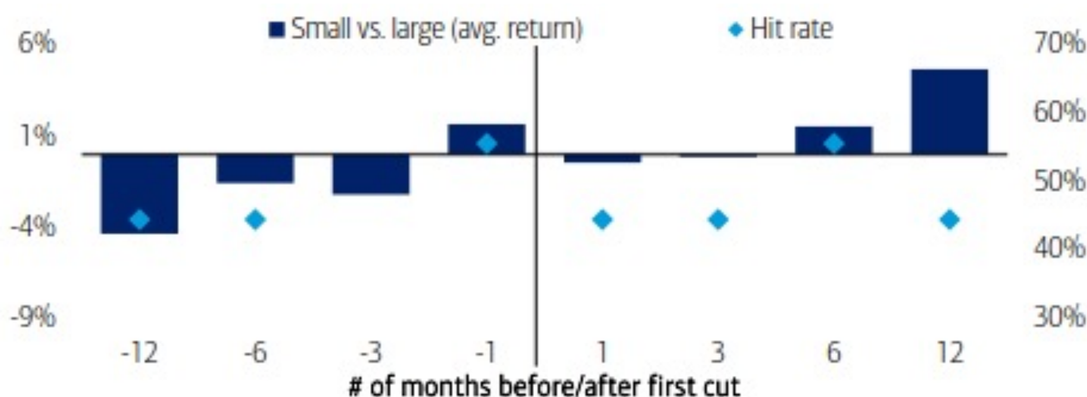
	Relative Valuation				% Difference From		
Valuation Metric	As of Sep-24	Max	Min	Long-Term Average	Max	Min	Long-Term Average
Trailing P/E	0.66	1.27	0.54	0.99	-48%	21%	-34%
Forward P/E	0.73	1.30	0.59	1.00	-43%	24%	-26%
Price/Book	0.44	1.11	0.44	0.75	-60%	0%	-41%
Price/Sales	0.48	1.02	0.43	0.74	-53%	11%	-35%
P/E To Growth	0.62	1.07	0.49	0.77	-42%	28%	-19%
Enterprise Value to FCF	0.63	1.22	0.56	0.84	-48%	12%	-25%

Source: BofA US Equity & Quant Strategy, FactSet
Note: P/E measures exclude negative earnings. Forward P/E is on I/B/E/S consensus N12m forecast earnings. EV/FCF excludes negative FCF.

- Looking at the first rate cut by the Federal Reserve in past cycles, small caps typically underperform during the 12-month period before the first rate cut, but they typically outperform large caps on a 6 and 12-month basis after the first rate cut. Note the following table:

Exhibit 4: Small caps have typically outperformed large caps in the 6 months after the first rate cut, but have underperformed in the inital months, and had mixed performances over 12m (positive avg. relative returns but >50% outperformance rate)

Small vs. large cap relative returns in the 1/3/6/12 mos. before and after the first Fed rate since 1974



Source: Fama French data library, Haver Analytics, BofA US Equity & US Quant Strategy

- Naturally, it all comes down to earnings. Stock prices are driven by earnings growth over time. This is historically and empirically true. Ignoring, for a moment, inflation, interest rates and concerns about a recession, the key reason large caps have performed better over the past few years is because they have had better earnings. However, looking ahead, small caps are expected to see accelerating earnings growth over the next year or so based on consensus earnings. Consider the following table:

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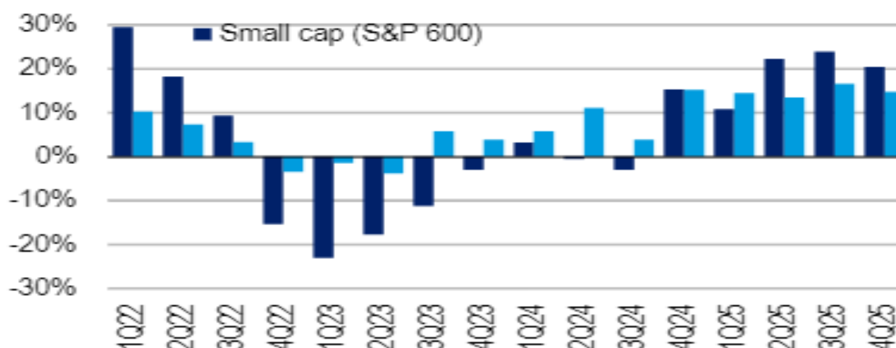
Exhibit 5: Small caps profits growth not expected to recover until 4Q24

Quarterly y/y bottom up EPS growth trajectory for S&P 600 vs S&P 500

(Consensus estimates 4Q23 onward; based on historical index constituents)



Source: FactSet, BofA US Equity & US Quant Strategy

Note: Based on historical index constituents, e.g. bottom-up EPS of constituents as of each quarter compared to bottom-up EPS in the year-ago quarter of the year-ago constituents.

So, for several reasons - valuation, earnings growth, historical tendencies, Fed rate cuts and a potentially sustained positive economy, the team believe the current outlook could be very supportive of small caps.

Performance Review

For the September quarter, the Driehaus US Micro Cap Equity Fund underperformed its benchmark by 50 basis points. The Fund gained 8.1% (C USD share class) net of fees, while the Russell Microcap Growth index rose 8.6%, the Russell Microcap index 8.3%, the Russell 2000 9.3%, and the S&P 500 5.9%. Year-to-date through the end of September, the Fund outperformed its benchmark by 14.6%, gaining 23.9% versus 9.3% for the Russell Microcap Growth.

Individual company earnings and their fundamental outlooks were strong for the team's holdings during the third quarter. These bottom-up results are supported by multiple themes and industry trends that the team view as sustainable. The underperformance for the quarter occurred in mid-July when the Russell Microcap, the Russell 2000 and the Russell 2000 Growth rose rapidly over a two-week period. Many laggard stocks within the benchmark outperformed during that brief period as short covering and index buying by market participants caused the index to rise rapidly. On a monthly basis, the Fund underperformed in July but outperformed in August and September. The Fund has outperformed in eight of the nine months year-to-date. On a sector basis, the healthcare sector led the way, contributing outperformance of 2.2%, followed by communication services contributing 0.6%, and consumer discretionary 0.4%. More than offsetting this strength was the technology sector detracting 2.3%, followed by energy detracting 0.6%, consumer staples detracting 0.4%, and industrials detracting 0.1%.

For more detail by sector, the September quarter performance is summarized as follows (in order of relative underperformance):

Technology

Technology detracted 226 basis points on a relative basis and 39 basis points in absolute performance, as the holdings fell 2.5% versus a gain of 10.9% for the index's holdings. The sector proved difficult this quarter as AI related technology stocks, the software group and most of the semiconductor industry pulled back after seeing strength in the first half of the year. Earnings overall in tech remained positive but many faster growing stocks experienced multiple compression. Semiconductors accounted for nearly half of the underperformance during the quarter. A few software stocks and several hardware stocks also pulled back after performing well in the first two quarters. As the team saw better opportunities in other sectors and as breadth in tech weakened considerably, the team reduced the exposure to the sector from 15.1% to 14.1% during the quarter. The Strategy ended the quarter underweight versus the benchmark's 17.2% tech weighting.

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Looking ahead, Driehaus continue to be positive on AI as a powerful and transformational theme. Specifically, and in the near to intermediate term, they believe capex (capital expenditures) spending on data centers and related AI infrastructure should remain robust and sustainable. The Hyperscalers (i.e., several of the Magnificent Seven and some other large cap tech stocks) have increased their AI and datacenter related capex by nearly 40% so far in 2024 versus 2023. The pace of this spending has been an area of debate for tech investors. Many are skeptical of the sustainability of this strong capex when they look at current revenues and ROI being generated from AI.

Driehaus believe the better way to look at AI capex is to view AI as the Hyperscalers/Mag Seven companies do, as an existential threat to their business models. For much of the past couple decades they didn't compete much as each dominated their own distinct, large addressable market. Increasingly though they are competing with each other. On Google's Q2 earnings call, they said, "the risk of underinvesting [in AI] is dramatically greater than the risk of overinvesting." They all want to increase the intelligence of their AI GPU clusters. Think of it in terms of IQ: they want to increase the IQ of their AI GPU clusters from just above average currently (say, an IQ of 100 to 120 currently) to the genius level of 160 plus and potentially far beyond that (some have said an IQ of 1,000). Each 10 points of incremental IQ requires tremendous investment capex spending and that means continued strong spending on GPUs, servers, networking equipment and new data centers. So, while the team do expect the 40% increase in capex to decelerate in 2025 and 2026, they believe AI infrastructure spending will remain strong.

Energy

The energy sector detracted 56 basis points in relative returns and 17 basis points in absolute terms. The sector was broadly weak as the price of crude oil declined. The Strategy's energy stocks fell 1.7% while the sector saw a gain for the index. The team reduced the exposure from an overweight to an underweight going from 4.3% to 2.7% versus the index at 3.2%.

Consumer Staples

Consumer staples detracted 44 basis points in relative terms and 58 basis points in absolute terms. Driehaus reduced the exposure from over 2.7% to 2.5% during the quarter, underweight versus the index at 3.5%. The underperformance was due to weakness in a specialty beverage stock and weakness in a cosmetics supplier that had been a very strong performer over the prior two years, but that company experienced sharp revenue deceleration during the quarter as it faces tough comparisons from the past two years. The investment team still believe the company is well positioned longer-term, but they exited the position as the current deceleration is causing multiple compressions.

Industrials

Industrials saw strength as it detracted 12 basis points from relative performance but contributed 101 basis points in absolute terms. Driehaus' holdings rose 4.9% versus 4.9% for the index. Driehaus remain overweight the sector, though they decreased their exposure from 20.9% to 19.6% versus 14.6% for the index. The team continue to be positive on the sector due to various stock specific positions with strong earnings outlooks and several strong themes. This includes positions benefitting from attractive trends within reshoring, infrastructure, commercial aerospace, and data centers where AI is driving demand for various technologies and equipment.

Sectors contributing positively on a relative basis:

Healthcare

Healthcare outperformed by 219 basis points and contributed 642 basis points on an absolute basis as Driehaus' holdings gained 19.2% versus 11.9% for the index. The team increased their exposure from 31.6% to 34.7% during the quarter, reducing the underweight versus 39.7% for the index. The portfolio is slightly underweight biotech at 20.9% vs 21.3% for the index and overweight medical devices at 6.7% versus 4.6% for the index and is underweight the other healthcare sub-industries within the benchmark.

Biotech outperformed with strong gains from several positions. One was a vaccine company focused on bacterial diseases including pneumonia that appreciated over 51% after it reported best-in-class clinical data that the team

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believe has de-risked the approval of its drug candidate. The portfolio also benefitted from strength in other positions in oncology and in other orphan diseases. The team's biotech positions appreciated 24.6% versus 9.4% for the index.

Driehaus remain encouraged fundamentally as they believe their biotech holdings have very promising and innovative clinical stage therapies demonstrating superior efficacy and safety in important disease indications, such as obesity, epilepsy, endocrinology, diabetes, neurology, autoimmune diseases, vaccines, and oncology. Driehaus anticipate promising results from upcoming clinical trials.

Consumer Discretionary

Consumer discretionary contributed 38 basis points on a relative basis and contributed 74 basis points in absolute terms. Driehaus' holdings gained 7.8% versus 0.6% for the index. The investment team saw strength in an education stock and an AI industrial company that is classified in the consumer sector. This was offset by weakness in restaurants and specialty retail. Overall, the team decreased the sector exposure from 10.8% to 10.4% versus 5.8% for the index, as they added new positions in retail and home building, ending the quarter with an overweight position. The team have a positive outlook for consumer spending as the labor market remains healthy, consumer net worth is hitting record highs and interest rates are trending lower.

Financials

Financials contributed 5 basis points on a relative basis, 47 basis points in absolute terms. The team's holdings appreciated 8.1% versus 7.4% for the index as the sector benefitted from strong earnings and falling interest rates. Driehaus increased their exposure to the sector from 7.5% to 8.7%, overweight versus the index at 7.6%.

Most of the absolute performance came from specialty insurance as several positions saw strong gains and strong earnings reports. The team remain overweight the insurance industry as it is undergoing significant positive change in pricing and the supply/demand environment. The portfolio also benefitted from several (ecommerce) lead generation companies within the insurance industry that are classified within the communication services, which outperformed the index, contributing 57 basis points in relative terms and 39 basis points in absolute terms. Driehaus are also positive on other holdings in the capital markets, fintech and regional banking sub-industries which added modestly to absolute performance.

Materials

Materials contributed 22 basis points on a relative basis and 50 basis points on an absolute basis as the holdings gained 13.5% versus 6.7% for the index. Driehaus increased their exposure from 3.1% to 3.6% during the quarter, maintaining an overweight position versus 2.6% for the index. The outperformance was generated by materials holdings related to infrastructure and specialty metals in commercial aerospace. These companies saw continued strength in earnings and in end market demand.

Outlook & Positioning

Equities saw broad but volatile strength in the September quarter. Micro and small caps outperformed as earnings improved, U.S. economic strength appears sustainable and as the Fed joins other global central banks by beginning an easing cycle. Micro and small caps also continue to trade at a deep discount to large caps. The market's breadth and overall technical picture also remain attractive.

Driehaus have a positive outlook for U.S. equities in general. They believe the strengths outweigh several bearish concerns or risks, including the (relatively low, in Driehaus' view) risk of economic weakness and any headwinds to lower inflation. Other risks include weaker earnings trends, US political disfunction and several major geopolitical issues outside of the U.S. The team continue to lean positively, as they see the economy, inflation and earnings continuing to trend in a favorable direction.

In terms of portfolio positioning, the Strategy has an attractive mix of secular and cyclical growth holdings with strong earnings. By sector, healthcare remains the largest absolute weight, followed by industrials, technology, and consumer

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discretionary. On a relative basis, the Strategy is overweight industrials, consumer discretionary, financials and materials. The Strategy is underweight healthcare, technology, consumer staples and energy.

Quarterly Contributors

ADMA Biologics, Inc. is a commercial stage biopharma company selling plasma-related products for the treatment of autoimmune diseases. In August, ADMA reported second quarter results, in which they substantially exceeded consensus estimates on sales, EBITDA, and EPS and raised guidance – all driven by strong demand for their specialty IVIg product Asceniv. The positive estimate revisions drove positive price appreciation.

Modine Manufacturing Company is a manufacturer of thermal management equipment. The company is experiencing extraordinary growth in its data center segment, which is driving positive earnings revisions. Modine has also embraced and applied an 80/20 operating program which is divesting low-margin customers and focusing on growing higher-margin customers. 2024 and 2025 EPS estimates have been revised 4.1% and 8.4% higher, and its P/E multiple has expanded from 18x to 34x as the market priced in stronger earnings growth in the future. In September, Modine hosted an investor day where they introduced FY27 financial targets that were above consensus expectations.

Quarterly Detractors

Veeco Instruments Inc. engages in the business of developing and manufacturing semiconductor process equipment. Veeco was a top detractor in the quarter as the company reported earnings results modestly below consensus estimates. Additionally, multiple semiconductor manufacturing companies indicated reduced capital spending plans for 2025 due to weakness in the PC and smartphone end markets which will be a headwind to Veeco's revenue growth.

Camtek Ltd engages in the business of developing and manufacturing high-end inspection and metrology equipment for the semiconductor industry. Camtek was a top detractor in the quarter as concerns of overcapacity in High Bandwidth Memory (HBM) buildouts and weakness in wafer fabrication spending in China weighed on its valuation multiple along with rest of the semiconductor capital equipment group.

Outright Buy

Core Scientific Inc engages in the business of operating a purpose-built facility for digital asset mining and AI/HPC infrastructure hosting. CORZ recently announced the extension of an infrastructure hosting contract for 10 years with a tier-1 AI cloud services company, bringing the total amount to 382MW under contract. Driehaus initiated a position in the Strategy as contracted capacity can generate upwards of $500mn in annual revenues and $400mn in annual EBITDA, making the stock's valuation very attractive at its current valuation. CORZ has 150MW of additional capacity that can be contracted out and can drive upside to future revenue and earnings.

Atmus Filtration Technologies, Inc. manufactures filtration products for on-highway and off-highway vehicles. ATMUS was recently spun-out of Cummins Incorporated. Following the separation from Cummins, ATMU is expected to be able to take existing products with proprietary technology and sell them into adjacent end markets. To take advantage of these trends, Microcap initiated a position.

CareDx, Inc. is a commercial stage diagnostics company selling products into the transplant market. In August, CDNA reported second quarter results in which they exceeded consensus estimates on sales, EBITDA, and EPS and raised guidance. Additionally, in August, CMS announced it was retiring a reimbursement code whose enactment resulted in CDNA volume being slashed 25% in the second quarter of 2023. As a result of good execution (evidenced by JunQ results in Aug) and the potential future upside from the reimbursement code retirement, the team initiated a position.

Outright Sell

Camtek Ltd engages in the business of developing and manufacturing high-end inspection and metrology equipment for the semiconductor industry. Camtek was a top sell in the quarter as concerns of overcapacity in High Bandwidth Memory (HBM) buildouts and weakness in wafer fabrication spending in China weighed on its valuation multiple along with rest of the semiconductor capital equipment group.

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Veeco Instruments Inc. engages in the business of developing and manufacturing semiconductor process equipment. Veeco was a top sell in the quarter as the company reported earnings results modestly below consensus estimates. Additionally, multiple semiconductor manufacturing companies indicated reduced capital spending plans for 2025 due to weakness in the PC and smartphone end markets which will be a headwind to Veeco's revenue growth.

Montrose Environmental Group Inc provides a diverse range of environmental services to the private and public sector across their life cycle needs. MEG is expected to benefit from increased regulation around PFAS in water sources. During the third quarter, increased odds of a Trump victory in the November elections and a ruling by the Supreme Court in the Chevron deference doctrine increased uncertainty as to the timelines of any PFAS regulation implementation. As a result, the team eliminated the position.

Sincerely,
Heptagon Capital and Driehaus Capital Management

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Sector performance attribution- Q3 2024

	Driehaus Micro Cap Growth Composite (Port) (%)		Russell Microcap® Growth Index (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg. weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	3.69	0.39	3.78	-0.09	0.03	0.54	0.57
Consumer Discretionary	9.45	0.74	6.16	0.00	-0.24	0.62	0.38
Consumer Staples	2.07	-0.58	3.46	0.03	0.04	-0.48	-0.44
Energy	3.57	-0.17	2.95	0.34	-0.14	-0.41	-0.56
Financials	8.77	0.47	7.65	0.46	0.00	0.05	0.05
Health Care	33.97	6.42	39.57	4.66	-0.17	2.36	2.19
Industrials	19.82	1.01	14.64	0.70	-0.17	0.04	-0.12
Information Technology	14.24	-0.39	17.00	1.91	-0.09	-2.17	-2.26
Materials	3.21	0.50	2.59	0.19	0.04	0.18	0.22
Real Estate	0.07	-0.06	1.90	0.32	-0.18	-0.06	-0.23
Utilities	0.00	0.00	0.40	0.00	0.03	0.00	0.03
Cash	1.14	0.00	0.00	0.00	-0.04	0.00	-0.04
Other*	0.00	-0.32	0.00	0.00	-0.32	0.00	-0.32
Total	**100.00**	**8.00**	**100.00**	**8.53**	**-1.21**	**0.67**	**-0.53**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
**Other refers to securities not recognised by Factset.*
Data as of 30th September 2024

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Annualized Total Returns as of 30th September 2024 gross of fees

	Q3 24	YTD	1-Year	3-Year	5-Year
Driehaus Micro Cap Growth Composite	8.4%	24.8%	36.1%	0.9%	21.5%
Russell Micro Cap Growth Index TR	8.6%	9.3%	26.4%	-8.3%	6.9%

Source: Driehaus Capital Management, Bloomberg

Driehaus manages the Irish regulated Driehaus US Micro Cap Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the Driehaus Micro Cap Growth Composite, however it should be noted that due to different regulation, fees, taxes, charges and other expenses there can be variances between the investment returns demonstrated by each portfolio. The Driehaus Micro Cap Growth Composite is provided in the table above to show a longer track record for the underlying strategy.

The views expressed represent the opinions of Driehaus Capital Management, as 30th September 2024, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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SFDR

The Fund takes sustainability risks into account within the investment process, and this is disclosed in accordance with Article 6 requirements of the Sustainable Finance Disclosure Regulation ('SFDR') in the Fund's Prospectus. However, the Fund does not have as its objective sustainable investment and does not promote environmental or social characteristics for the purposes of the SFDR. Sustainability risks may occur in a manner that is not anticipated by the Sub-Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence the returns of the Fund. As a result of the assessment of the impact of sustainability risks on the returns of the Fund, the Sub-Investment Manager aims to identified that the Fund may be exposed to sustainability risks and will aim to mitigate those risks.

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