

DRIEHAUS

CAPITAL MANAGEMENT

Contact Us

25 East Erie Street
Chicago, Illinois 60611
(312) 587-3800
driehaus.com



Form ADV Part 2A Firm Brochure December 17, 2020

This Brochure provides information about the qualifications and business practices of Driehaus Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at 1-800-688-8819. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Driehaus Capital Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Driehaus Capital Management LLC is registered as an investment adviser with the SEC. Our registration as an investment adviser does not imply any certain level of skill, training or ability with respect to the provision of investment advisory services.

Item 2 – Material Changes

This item will be updated on an annual basis and will identify and discuss material changes that are made to the Brochure since our last annual update.

We will deliver to our clients a free annual updated Brochure that includes a summary of any material changes that are made to this and subsequent Brochures within 120 days of the close of our fiscal year.

The material changes made to this Brochure since our last annual update dated March 31, 2019 are the following:

- Item 5 was revised under the “Separately Managed Accounts” heading to update the name of the Emerging Markets Multi-Asset Strategy to Emerging Markets Opportunities Strategy.
- Item 5 was revised under the “Driehaus Mutual Funds” heading to update the name of the Driehaus Multi-Asset Growth Economies Fund to Driehaus Emerging Markets Opportunities Fund.
- Items 5 & 7 were revised to add the Driehaus Emerging Markets strategy in the Affiliated Pooled Accounts sections.
- Items 5 & 10 were revised to remove references to Driehaus Securities LLC and add references to Foreside Financial Services, LLC.
- Item 7 was revised to update the name of the Emerging Markets Multi-Asset Strategy to Emerging Markets Opportunities Strategy and to update the name of the Driehaus Multi-Asset Growth Economies Fund to Driehaus Emerging Markets Opportunities Fund.
- Item 8 was revised to update the Risk of Loss section.
- Item 10 was revised to add Driehaus Wealth Management LLC.
- Item 12 was revised under the “Investment/Brokerage Discretion” heading to add procedures for when a mutual fund and another account participate jointly in a private placement.
- Item 17 was revised to update the default choices for proxy voting policies.

Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9 – Disciplinary Information	17
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading.....	18
Item 12 – Brokerage Practices	20
Item 13 – Review of Accounts	24
Item 14 – Client Referrals and Other Compensation	25
Item 15 – Custody	26
Item 16 – Investment Discretion.....	26
Item 17 – Voting Client Securities	26
Item 18 – Financial Information	27

Item 4 – Advisory Business

Driehaus Capital Management LLC is a privately held independent investment adviser based in Chicago, Illinois providing discretionary advisory services to clients. We have been registered with the United States Securities and Exchange Commission (“SEC”) since 1983. We are a Delaware limited liability company that is majority-owned by Driehaus Capital Holdings LLLP. Driehaus Capital Holdings LLLP is owned by entities related to our founder, Richard H. Driehaus.

As of November 30, 2020, we managed \$11,409,349,788 of client assets on a discretionary basis and \$55,006,385 on a non-discretionary basis. We provide discretionary advisory and sub-advisory services to a diverse group of U.S. and non-U.S. clients, including corporate pension plans, public plans, endowments, foundations, single and multi-family offices, Driehaus Mutual Funds (an SEC registered investment company), affiliated pooled accounts, non-affiliated U.S. and non-U.S. registered and unregistered pooled investment vehicles and high net worth individuals. As of November 2020, we also provide non-discretionary advisory services to model account programs.

Driehaus Capital Management LLC employs active equity and multi-asset alternative investment management strategies. We have experienced teams of investment, risk management, trading, operations and technology professionals managing and supporting our strategies.

Our principal growth equity investment philosophy is based on the principle that markets tend to misprice stocks of companies following positive growth inflections and these inefficiencies tend to follow predictable and exploitable patterns. The investment objective of our equity growth strategies is to maximize capital appreciation over a full market cycle (3-5 years).

Our principal emerging markets opportunities philosophy is similar to our equity philosophy but allows for the investment in securities across multiple asset classes in pursuit of superior risk-adjusted returns.

Our principal alternative strategy is event-driven. Our event-driven philosophy is based on the belief that attractive event-driven investments exist in the global equity and credit markets because of the complexity of the capital structure, the non-traditional nature of event-driven investment opportunities, and the unwillingness of investors to participate in trades with binary outcomes. Our event-driven strategy seeks superior risk-adjusted returns with lower correlations to major asset classes and lower volatility than the S&P 500 Index.

Our separate account clients generally follow a model portfolio for each strategy that invests in the same securities as other investors in the same investment strategy. However, separate account clients may impose certain investment restrictions, such as on specific securities or types of securities or limits on their weightings. As a result of client-imposed restrictions, these client accounts may

not be aligned with a strategy's model portfolio and performance differences can occur between the client's account and the model portfolio for a strategy. In addition, we manage custom strategies for certain clients at their request that we do not actively market.

Item 5 - Fees and Compensation

We offer strategy-specific standard asset-based advisory fee schedules for our separately managed account advisory services. We also have a standard advisory fee schedule for our affiliated pooled account that is privately offered to accredited investors. We earn an asset-based advisory fee for providing advisory services to the trustee of our privately-offered collective investment trusts, which may be paid by the collective investment trusts or billed to their investors. We have a separate advisory fee schedule for Driehaus Mutual Funds, our affiliated investment company registered with the SEC. We also have a separate advisory fee schedule for model account programs for which we provide non-discretionary advisory services. We will consider and negotiate advisory fee structures other than our standard advisory fee schedules, including performance-based fees. We typically do not deduct our advisory fees from separately managed client accounts, but we do for our affiliated pooled accounts and Driehaus Mutual Funds.

In addition to our advisory fees, our clients incur brokerage and other third-party transaction costs. Please refer to Item 12 for a discussion of our brokerage practices. Our clients will also incur other types of third-party fees or expenses in connection with our advisory services, such as custodian fees or mutual fund expenses. Our separately managed account clients are responsible for establishing their own custodial relationships, including negotiating custodial fees and charges. We do not receive any compensation either directly or indirectly from any client custodian. For our affiliated pooled accounts and Driehaus Mutual Funds, we negotiate and establish the custodian relationships. Driehaus Mutual Funds and our affiliated pooled accounts also pay professional fees. Our collective investment trusts also pay custodial and professional fees.

We compensate our employees for marketing our investment strategies. This compensation has no impact on the level of advisory fees paid by our clients. We do not believe there are any conflicts of interest related to the receipt of this compensation by our employees, who are also registered representatives of an unaffiliated broker-dealer, Foreside Financial Services, LLC, an SEC registered broker-dealer that is regulated by the Financial Industry Regulatory Authority ("FINRA").

For those strategies that are offered through multiple investment vehicles, our clients decide whether to invest with us through a separately managed account, Driehaus Mutual Funds, our affiliated pooled accounts and/or our collective investment trusts based on what is best suited for their specific needs. Our

employees do not make recommendations as to which investment vehicle to utilize.

Separately Managed Accounts

Our asset-based advisory fees for separately managed accounts are generally billed at the end of each calendar quarter based upon the average market value of the account on the last day of each month during the quarter. For periods of less than one quarter, the fees are pro-rated to reflect the shorter period. Our clients may negotiate other methods of computation, such as basing the quarterly fee upon the portfolio market value as of the close of the quarter. We may aggregate the total amount of assets that a client has invested in the Driehaus Mutual Funds and/or affiliated pooled account(s) with client assets invested in a separately managed account(s) in determining the rate of fee charged for the management of those separate account(s). We also act as the investment adviser to non-affiliated U.S. and non-U.S. pooled investment vehicles, which we consider to be separately managed accounts. Depending on the fee structure that has been agreed upon with these clients, we receive all or a portion of the advisory fees charged by them to their clients.

Below are our standard asset-based advisory fee schedules for those equity strategies that we actively market to clients. Note that we may close any of these strategies to new clients from time to time.

1. Micro Cap Growth Strategy Accounts
1.25% per annum
2. Small Cap Growth Strategy Accounts
0.60% per annum
3. Small/Mid Cap Growth Strategy Accounts
0.60% per annum
4. Life Sciences Strategy Accounts
1.25% per annum plus an annual performance fee of 17.5%
5. International Small Cap Growth Strategy Accounts
1.00% per annum
6. Emerging Markets Growth Strategy Accounts
0.90% per annum
7. Emerging Markets Small Cap Equity Strategy Accounts
1.00% per annum
8. Emerging Markets Opportunities Strategy Accounts
1.00% per annum

Driehaus Mutual Funds

For Driehaus Mutual Funds, our advisory fees are computed and accrued daily at an annual rate based on average daily net assets and are payable monthly. Our clients that purchase shares of the Funds do not pay a separate account management fee on the value of their assets invested in those Funds (although the Funds pay advisory fees to us). Note that we may close any of these Funds to new shareholders from time to time.

Below are the advisory fees for each Fund:

1. Driehaus Micro Cap Growth Fund
1.25% of average daily net assets
2. Driehaus Small Cap Growth Fund
0.60% of average daily net assets
3. Driehaus Small/Mid Cap Growth Fund
0.60% of average daily net assets
4. Driehaus International Small Cap Growth Fund
1.00% of average daily net assets
5. Driehaus Emerging Markets Growth Fund
1.05% of average daily net assets up to \$1.5 billion and 0.75% of average daily net assets in excess of \$1.5 billion
6. Driehaus Emerging Markets Small Cap Growth Fund
1.15% of average daily net assets
8. Driehaus Event Driven Fund
1.00% of average daily net assets
9. Driehaus Emerging Markets Opportunities Fund
0.90% of average daily net assets

Affiliated Pooled Accounts

For our affiliated pooled accounts that are privately offered to accredited investors, our advisory fees are computed and accrued monthly at an annual rate based on each investor's capital account and are payable monthly. Below is our standard advisory fee schedule for pooled accounts.

1. Life Sciences strategy
 - 1.25% per annum of the net asset value of the account for Standard Class investors plus an annual incentive allocation of 17.5%

2. Driehaus Emerging Markets strategy
 - 0.90% per annum of the net asset value of the account

Collective Investment Trusts

For our collective investment trusts, our advisory fees are computed and accrued monthly at an annual rate based on the share class in which an investor chooses to invest. Below is the standard advisory fee schedule for our collective investment trusts. Other share classes may exist or be added from time to time to allow for a negotiated advisory fee.

1. Driehaus Emerging Markets Growth strategy
 - 0.90% per annum of the net asset value of the account
2. Driehaus International Small Cap Growth strategy
 - 1.00% per annum of the net asset value of the account

Model Account Programs

We provide investment advisory services on a non-discretionary basis for model account programs. Below is our standard advisory fee schedule for model account programs. Fees may be negotiated on a program by program basis.

1. Driehaus Small/Mid Cap Growth Strategy
 - 0.60% per annum of the net asset value of the model manager's accounts invested in the Driehaus Small/Mid Cap Growth strategy

Item 6 – Performance-Based Fees and Side-By-Side Management

We accept performance-based fees with qualified clients that are based on a percentage of net profits. We also accept “fulcrum fee” schedules with qualified clients where our advisory fee for a particular period is based on the client's account performance versus a particular benchmark's performance. In all cases, in measuring client assets for the calculation of performance-based fee arrangements, we include realized and unrealized capital gains and losses.

We manage strategies that may be deployed by separately managed accounts, affiliated pooled accounts, collective investment trusts, Driehaus Mutual Funds and model account programs. Accounts within the same strategy may include both accounts that are charged asset-based advisory fees and accounts that are charged performance-based fees. There are inherent conflicts of interest in the side-by-side management of performance-fee and non-performance-fee accounts. Performance-fee arrangements create an incentive for us to take risks in managing assets which would not otherwise be taken in the absence of such arrangements. Similarly, we have incentive to favor the performance-based fee accounts over the asset-based fee accounts. The performance-based fee accounts

could receive more time and attention, more favorable investment allocations or trade allocations or more allocations of limited investment opportunities than the asset-based fee accounts. We seek to manage these conflicts and reduce adverse effects on the non-performance-based fee accounts through our investment opportunity allocation procedures and our trade allocation procedures. Our investment opportunity allocation procedures prohibit our portfolio managers from allocating investment opportunities in a manner that favors one account over another account or one strategy over another strategy. This prohibition applies to all accounts and strategies, regardless of whether a particular account or strategy is affiliated with the Firm or earns a performance-based fee. Our trade allocation procedures include requirements that transactions for accounts in the same strategy, regardless of fee-type, in the same securities that occur on the same day are average priced by each execution venue when feasible and allocated on a fair and equitable basis. In addition, we conduct quarterly reviews of transactions in and holdings of the same or related securities by accounts in different strategies for compliance with our procedures.

Separately Managed Accounts

Except for the Life Sciences Strategy's performance fee detailed above, we do not have standard performance-based fee schedules for separately managed accounts but rather we consider and negotiate performance-based fee schedules. In some instances, we accept performance-based fees based on a percentage of net profits. In others we accept a "fulcrum fee" schedule, where the advisory fee for a particular period is based on the client's account performance versus a particular benchmark's performance.

Driehaus Mutual Funds

We do not currently have any performance-based fees related to Driehaus Mutual Funds.

Affiliated Pooled Accounts

The affiliated pooled account in our Life Sciences strategy, as detailed in Item 5, has a performance-based incentive allocation.

Collective Investment Trusts

We do not currently have performance-based fees for the collective investment trusts.

Model Account Programs

We do not currently have any performance-based fees related to the non-discretionary advisory services we provide to model account programs.

Item 7 – Types of Clients

Our clients reside within and outside the U.S. and include corporate pension plans, public plans, endowments, foundations, single and multi-family offices, Driehaus Mutual Funds, affiliated pooled accounts, non-affiliated U.S. and non-U.S. registered and unregistered pooled investment vehicles, other investment advisers and high net worth individuals.

The minimum investment amounts for our separately managed accounts are:

- \$5,000,000 for all U.S. Equity Strategies except the Life Sciences Strategy
- \$20,000,000 for the Life Sciences Strategy and all ex-U.S. Strategies (International Small Cap Growth, Emerging Markets Growth, Emerging Markets Small Cap Equity and Emerging Markets Opportunities Strategies)

At our discretion, we will accept separately managed accounts with less than the minimum investment.

The minimum investment amounts for Driehaus Mutual Funds are:

- \$10,000 for Driehaus Micro Cap Growth Fund, Driehaus Small Cap Growth Fund Investor Class, Driehaus Small/Mid Cap Growth Fund, Driehaus International Small Cap Growth Fund, Driehaus Emerging Markets Growth Fund – Investor Class, Driehaus Emerging Markets Small Cap Growth Fund, Driehaus Event Driven Fund and Driehaus Emerging Markets Opportunities Fund.
- \$500,000 for Driehaus Small Cap Growth Fund – Institutional Class and Driehaus Emerging Markets Growth Fund – Institutional Class.

Additional information about the minimum investment amounts is in the Driehaus Mutual Funds prospectuses that are available on our website, www.driehaus.com.

The minimum investment amount for our affiliated pooled account managed in the Life Sciences strategy is \$1,000,000 for Standard Class investors. The minimum investment amount for our affiliated pooled account managed in the Emerging Markets strategy is \$5,000,000.

The minimum investment amount for an investment in the Driehaus Emerging Markets Growth strategy and Driehaus International Small Cap Growth strategy collective investment trusts is \$1,000,000. Other share classes may exist or be added from time to time that have higher minimum investment thresholds.

There is no minimum program size for which Driehaus will provide model portfolios to other investment advisers. We will consider model participation on a program by program basis.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Driehaus Capital Management LLC utilizes a variety of analysis methods and investment strategies to make investment decisions. When evaluating investment opportunities, we employ fundamental, macro and technical research methods using various resources such as corporate data, stock prices and volume data, third-party research, SEC filings, company press releases, management conference calls and meetings, and proprietary research.

Investment Strategies

Our marketed investment strategies can be broadly classified into the following groups:

Equity Growth Strategies

Driehaus growth equity strategies employ an active, growth equity investment philosophy that focuses on identifying company-specific growth inflection points and exploiting how stocks trade during subsequent periods.

We believe markets tend to misprice stocks of companies following positive growth inflections and that these inefficiencies often follow predictable and exploitable patterns. Specifically, following a positive trend change in a company's potential or expected earnings growth trajectory, investors often underestimate the future magnitude, acceleration and/or duration of earnings growth as they anchor their views to past information. Additionally, investors may underestimate the multiple expansions that follow growth inflections.

We look to exploit these inefficiencies by using fundamental and macro research to capitalize on the behavioral dynamics of the market as follows:

- We identify key areas of differentiation in company-specific business models and earnings growth dynamics, and the specific catalysts or drivers that support sustainability of growth trends.
- We evaluate the impact of macro variables on company-specific fundamentals.
- We reconcile our fundamental assessment with behavioral dynamics of investors, focusing on prevailing patterns historically associated with inflections/growth fundamentals.

Our process starts with systematic fundamental and behavioral analysis to identify liquid stocks of companies that may be experiencing positive growth inflections for more focused analysis. Next, analysts conduct comprehensive research on the securities to find the most attractive opportunities. For each of these companies, an investment thesis is formed that is based on the sustainability of the company's growth and potential inefficiencies in market expectations. As the number of eligible stocks narrow, companies fall into one or more of four specific growth profiles, each with a defined research focus: dynamic growth companies, cyclical growth companies, recovery growth companies and consistent growth companies.

Our buy and sell discipline, portfolio construction process, and risk management process are interrelated. Risk management seeks to ensure that each strategy's risks are informed and intended, and to support the portfolio construction process by quantifying exposures, sensitivities, and potential outcomes.

We believe that corporate Environmental, Social and Governance ("ESG") factors can affect the sustainability of companies' future earnings and profitability and therefore impact the risk and return potential of investments. With respect to our equity strategies, we integrate ESG factor analysis into our investment process through both quantitative and qualitative analysis. We do not, however, apply rigid constraints or perform ESG screens unless specifically requested in accordance with a client's investment guidelines.

Alternative Emerging Markets Strategy

For our emerging markets opportunities strategy, we employ similar fundamental, behavioral and macro analysis as we do for our growth equity strategies. This strategy also employs a similar buy and sell discipline, risk management process, and portfolio construction process. The primary difference is an expanded investment universe across asset classes to promote superior risk-adjusted returns. With an expanded multi-asset investable universe, the Adviser must also assess the relative value of securities across asset classes to identify investment opportunities.

Alternative Event Driven Strategy

For our event driven strategy, we seek to identify investment opportunities where the near-to-intermediate term outcome will be determined primarily by specific event(s) or catalyst(s). Once identified, we seek to construct related trades that offer attractive asymmetric return opportunities. To do this, we invest across companies' capital structures, and portfolio holdings may include fixed income and floating rate debt securities, loans, common stocks, preferred stocks, American Depositary Receipts and Global Depositary Receipts, options, futures and swaps.

Event-driven trades that are held by the strategy generally fall into one or more of the following trade types:

- 1) Equity catalyst-driven trades expressed predominately through equity positions;
- 2) Bond catalyst-driven trades expressed predominately through bond positions;
- 3) Risk arbitrage trades that attempt to capture a valuation discrepancy between similar securities;
- 4) Deep value trades that attempt to capture the mispricing of an extremely undervalued security; and
- 5) Portfolio hedges that attempt to hedge unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

With respect to the risk management process, risk is managed at the trade specific level and at the aggregate portfolio level with a focus on volatility, correlations and drawdowns.

Risk of Loss

Our strategies, like all investments, involve the risk of loss. We do not represent any performance results as indicators of future results. Our past performance is not an indication or guarantee of our future performance. Our clients should be prepared to bear not only the risks common to all of our investment strategies, but the additional risks of investing outside the United States or in the credit markets, if they have chosen to invest in those strategies. The common and specific risks are present in our separately managed accounts, Driehaus Mutual Funds and our pooled accounts because we manage by the strategy, not by the investment vehicle. However, we proactively manage the risks through our risk management processes that are integral to the portfolio construction process.

More detailed discussions of the material risks of each of our strategies are in the prospectuses for the each of the Driehaus Mutual Funds series, which are available on our website, www.driehaus.com, the applicable offering documents for our pooled accounts which are privately offered to accredited investors, and the disclosures that we provide to our separately managed account clients and prospective clients. The descriptions contained below are a brief overview of different risks related to our investment strategies and is not intended to serve as an exhaustive list or a comprehensive description of all risks that will arise in connection with the strategies.

Equity and Alternative Strategies

Our clients investing in our equity and alternative strategies generally have the following principal risks:

Market Risk - The strategies are subject to market risk, which is the possibility that securities prices overall will decline over short or even long periods.

Securities markets tend to move in cycles, with periods of rising prices and periods of falling prices. These fluctuations are expected to have a substantial influence on the value of the strategies' investments. In addition, events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar "Act of God" events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally.

Growth Stock Risk – For our equity strategies, growth stocks are typically priced higher than other stocks, in relation to earnings and other measures, because investors believe they have more growth potential. This potential may or may not be realized. Growth stock prices also tend to be more volatile than the overall market.

Small and Medium-Sized Company Risk – Our strategies invest in companies that are smaller, less established, with less liquid markets for their stock, and therefore may be riskier investments. While small and medium-sized companies generally have the potential for rapid growth, the securities of these companies often involve greater risks than investments in larger, more established companies because small and medium-sized companies may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, in many instances, the securities of small and medium-sized companies are traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. At times the prices of stocks of smaller capitalization companies as a group have significantly underperformed those of larger companies.

Micro-Cap Company Risk – The securities of micro-cap companies may be more volatile in price, have wider spreads between their bid and ask prices, and have significantly lower trading volumes than the securities of larger capitalization companies. Some U.S. micro-cap companies are followed by few, if any, securities analysts, and there tends to be less publicly available information about such companies. Their securities generally have even more limited trading volumes and are subject to even more abrupt or erratic market price movements than are small-cap and mid-cap securities.

Non-Diversification - Because the strategies may invest a greater percentage of assets in a particular issuer or a small number of issuers, they may be subject to greater risks and larger losses than diversified strategies. The value of the portfolios may vary more as a result of changes in the financial condition or the market's assessment of the issuers than a more diversified strategy.

Concentration Risk - The strategies may have significant weightings in a particular issuer, sector, country (for our ex-U.S. equity strategies) or industry, which may subject them to greater risks than less concentrated portfolios.

High Rates of Turnover – Since timeliness is central to our equity and credit strategies, it is anticipated that our clients may experience high rates of portfolio turnover, which may result in payment of above-average transaction costs and could result in the payment of taxes on above-average amounts of realized investment gains, including net short-term capital gains, which are taxed as ordinary income for federal income tax purposes.

Manager Risk - If we do not achieve the objectives of our equity and credit strategies or if we do not implement the strategy properly, the strategies' performance may be adversely impacted.

Cybersecurity Breaches - We are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and the potential resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. We may incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse reaction, the dissemination of confidential and proprietary information and reputational damage. Cybersecurity breaches affecting us or our vendors may also adversely impact clients. While we have established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified.

Liquidity Risk – When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities may decrease. Securities subject to liquidity risk include small capitalization securities, emerging markets securities, derivatives, senior loans, private placements and securities that are subject to restrictions on resale.

Ex-U.S. Equity and Alternative Strategies

Our ex-U.S. Equity and Alternative investment strategies involve special risks, including currency fluctuations, lower liquidity, different accounting methods and economic and political systems, and higher transactions costs. These risks are typically greater in emerging markets. More specifically, these risks are:

Ex-U.S. Securities and Currencies Risk - Investing outside the U.S. involves different opportunities and different risks than U.S. investments. These are: less liquidity, greater volatility, political instability, restrictions on foreign investment and repatriation of capital, less complete and reliable information about foreign companies, reduced government supervision of some foreign securities markets,

lower responsiveness of foreign management to shareholder concerns, economic issues or developments in foreign countries, fluctuation in exchange rates of foreign currencies and risks of devaluation, imposition of foreign withholding and other taxes, dependence of emerging market companies upon commodities which may be subject to economic cycles, and emerging market risk such as limited trading volume, expropriation, devaluation or other adverse political or social developments. To the extent portfolio securities are issued by foreign issuers or denominated in foreign currencies, investment performance is affected by the strength or weakness of the U.S. dollar against these currencies.

Emerging and Frontier Market Risk - Investments in securities of issuers located in emerging and frontier market countries are speculative and subject to certain special risks. The small size, limited trading volume and relative inexperience of the securities markets in these countries may make the investments illiquid and more volatile than investments in more developed countries. There may be little financial or accounting information available for issuers in these countries, making it more difficult to assess the investment value or prospects.

Life Sciences and Alternative Strategies

Our Life Sciences and Alternative strategies have additional inherent risks that generally include the following:

Derivatives Risk - A small investment in derivatives could have a potentially large impact on performance. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative will not correlate with other investments. Further, we may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial.

Short Sale Risk - Short sales present the risk of being required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss. The amount of loss on a short sale is theoretically unlimited (as compared with a long position, where the maximum loss is the amount invested).

Credit Risk - Failure of an issuer or borrower (under a senior loan) to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond or creditworthiness of a borrower can cause a bond's or senior loan's price to fall and potentially lower the value of the portfolios. In addition to investing in investment grade securities, the credit strategies invest in non-investment grade securities, which involve greater credit risk, including the risk of default. The prices of non-investment grade securities, including senior loans, are more sensitive to changing economic conditions and can fall

dramatically in response to negative news about the issuer/borrower or its industry, or the economy in general.

High Yield Risk - Low-rated and comparable unrated securities (“junk bonds”), while generally offering higher yields than investment grade securities with similar maturities, involve greater risks, including the possibility of default or bankruptcy. They are regarded as speculative with respect to the issuer’s capacity to pay interest and to repay principal. The market values of some of these securities tend to be more sensitive to individual corporate development and changes in economic conditions than higher quality bonds. In addition, junk bonds tend to be less marketable than higher quality debt securities because the market for them is not as broad or active. The lack of a liquid secondary market may have an adverse effect on market price and the strategies’ ability to sell particular securities.

Event Risk – Event-driven opportunities may not occur as anticipated, resulting in potentially reduced returns or losses as a trade is unwound if those opportunities do not materialize as anticipated.

Item 9 – Disciplinary Information

We have no legal or disciplinary information or events to disclose, material or otherwise. This statement applies to our firm as well as our management persons.

Item 10 – Other Financial Industry Activities and Affiliations

Several of our management persons are registered representatives of Foreside Financial Services, LLC (“Foreside”), including our President and Head of Distribution, Chief Compliance Officer, General Counsel, and Director of Relationship Management and Ex-U.S. Distribution. Foreside is an unaffiliated broker-dealer that serves as the principal distributor of Driehaus Mutual Funds and the placement agent of Driehaus private funds. Our firm compensates Foreside for these distribution-related services. We have not identified any conflicts of interest with respect to our contractual relationship with Foreside. We compensate certain employees who are registered representatives of Foreside for promoting our equity and credit strategies under the same compensation structure for Driehaus Mutual Funds, our separately managed accounts and affiliated pooled accounts. Moreover, regardless of type of investment vehicle, all accounts in the same Strategy trade the same and receive pro-rata allocations at the same average price per share per execution venue, when feasible. No favoritism is shown or advantage is given.

Driehaus Capital Management LLC is a commodity pool operator and commodity trading adviser registered with the Commodities Futures Trading Commission and is a member of the National Futures Association.

We have relationships and arrangements with three affiliated companies that are engaged in other financial industry activities. However, we do not believe that any of them create any material conflicts of interest with our clients. Driehaus Capital Management (USVI) LLC is the general partner of several affiliated limited partnerships that employ us as their investment adviser. Driehaus Mutual Funds is an investment company registered with the SEC. Driehaus Wealth Management LLC is an investment adviser excluded from registration with the SEC.

Driehaus Capital Management (USVI) LLC acts as the general partner and sponsor of our affiliated limited partnerships within strategies that are managed and marketed by us. It does not recommend or select any other investment advisers. However, its inability to negotiate arms-length terms for our advisory fee and to independently evaluate the quality of our advisory services is fully-disclosed to investors, who generally are accredited or qualified purchasers capable of evaluating the merits of the investment before they invest. Moreover, our allocation and valuation procedures ensure equitable and fair investment opportunities for the investors.

Driehaus Mutual Funds has eight mutual funds that we manage in our equity, multi-asset and alternative strategies. The Funds' orders are executed and allocated in each strategy with all other accounts employing that strategy at the same average prices per execution venue, when feasible, and are allocated pro rata. Moreover, the Funds' have an independent Board of Trustees, who oversee the Funds' activities. The Funds are subject to extensive regulatory restrictions and requirements including detailed quarterly, annual and periodic reporting by us to the Board of Trustees.

Driehaus Wealth Management LLC is a wealth management company that provides asset allocation, wealth transfer, financial reporting and tax services exclusively to Richard Driehaus, his family members and certain charitable entities that Mr. Driehaus supports. The business activities of Driehaus Wealth Management LLC do not impact any non-Driehaus family member clients of Driehaus Capital Management LLC.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a combined Code of Ethics and Business Conduct ("Code") under Rule 204A-1 of the Investment Advisers Act of 1940 and Rule 17j-1 of the Investment Company Act of 1940. The Code covers our activities related to all our clients, including Driehaus Mutual Funds and any investment company for which we are the investment adviser or sub-adviser. Our affiliates or their employees who have access to information that is subject to the Code's restrictions have also adopted the Code. The Code incorporates our long-

standing core business principle of maintaining the highest legal and ethical standards in the conduct of our business based on our fiduciary duty to our clients.

The Code includes provisions that require all employees to comply with the federal securities laws, to periodically report personal securities transactions and holdings, to obtain pre-approval before investing in any limited offering or new issue, and to report any Code violations to our Chief Compliance Officer. Other provisions of the Code relate to confidentiality of client information, a prohibition on insider trading, and restrictions on the acceptance of gifts and business entertainment.

The Code is accessible to all employees on our intranet. Each employee must annually certify compliance with the Code, including the Code's disclosure and reporting requirements for personal trading. Compliance with the Code is monitored by our Compliance Department and enforced by our Ethics Committee.

A copy of the Code will be provided free of charge to any current client or prospective client upon request by calling 1-800-688-8819 or by writing to our President and Head of Distribution.

Participation or Interest in Client Transactions

Our clients and others may purchase shares in Driehaus Mutual Funds, for which we are the investment adviser. Richard Driehaus is a significant investor in some of the Driehaus Mutual Funds. Our employees and employees of our affiliates also invest in Driehaus Mutual Funds.

Our clients may also purchase interests in our affiliated private pooled accounts. Our affiliated company, Driehaus Capital Management (USVI) LLC, is the general partner of our affiliated limited partnerships. Mr. Driehaus is the chairman and an indirect owner of the general partner. He also has significant investments in most of these pooled accounts.

The investments of Mr. Driehaus and other employees in Driehaus Mutual Funds and our affiliated private pooled accounts could create a conflict of interest such that we could favor these accounts when making investment and allocation decisions. We have trade allocation procedures in place to manage this conflict of interest. Investment opportunities are identified and allocated among our different investment strategies based on their characteristics and fit within the stated mandate of the investment strategy. Once an investment decision has been made, typically all accounts within the strategy will participate in a bunched order, when feasible. After trading of the bunched order is complete, all accounts receive a pro-rata allocation at the same average price per share per execution venue.

Personal Trading

Our employees may not directly buy or sell publicly traded stocks, except for Mr. Driehaus. While Mr. Driehaus invests substantial amounts in separate accounts and pooled investment vehicles that employ investment strategies managed by the Firm's portfolio managers on behalf of our clients, he also invests and trades through our Firm in investment strategies that employ a similar investment philosophy, are not generally offered to our clients and are subject to restrictions that vary depending on whether Mr. Driehaus is the portfolio manager.

For investment strategies where Mr. Driehaus is not the portfolio manager, all orders are shared "real time" with all of our employees engaged in investment management and trading activities for our clients before being placed for execution. For investment strategies where Mr. Driehaus is the portfolio manager either by himself or with another portfolio manager who works exclusively with him, there are physical, technological and administrative information barriers that segregate our clients' and Mr. Driehaus's investment and trading activity. These barriers apply to the sharing of internally generated stock-specific research, order and execution information, current holdings and securities under consideration for purchase or sale to ensure that no unfair advantage is given to Mr. Driehaus.

In all cases, the Firm's orders, including Mr. Driehaus's, are bunched and receive the same average price. We regularly review Mr. Driehaus's trading and conduct other reviews as appropriate.

In all cases, our decisions to purchase, sell or maintain our clients' security positions are and will be made without considering whether this action may affect Mr. Driehaus's holdings or trading. Our client accounts may buy or sell securities before or after Mr. Driehaus, depending on various considerations, including evaluation of the security, the composition of the clients' portfolios, any trading restrictions, alternative investments under consideration, contribution and withdrawal activity and the accounts' available cash.

Item 12 – Brokerage Practices

Investment/Brokerage Discretion

We are given discretionary authority by our clients to invest their funds within the investment framework of the investment objectives and restrictions of our equity and alternative strategies. Third-party brokers are selected by us, in seeking the most favorable terms under the circumstances, that is, best execution, based upon our perception of a number of factors, including overall execution quality and capability, liquidity, ability to lessen the market impact of the order, responsiveness and promptness in providing execution, ability to maintain anonymity, and opportunity for price improvement. Brokerage commissions are negotiated by us with each of the third-party brokers.

Depending on various factors, such as the value of research or execution quality, we will pay higher fees than we could negotiate if our only consideration was the minimization of commission expense.

Brokerage transactions are executed in various types of venues, both electronic and through numerous brokers. Outside the United States, we utilize both large U.S. based firms with overseas offices and foreign regional or local brokers. There are foreign custodial fees and governmental trade settlement fees that are also often materially higher than for trading U.S. stocks.

It is our practice, when feasible, to aggregate (or "bunch") orders in a single transaction or multiple transactions for the accounts of numerous clients, to facilitate best execution. Specifically, each client that participates in a bunched transaction will participate at the average share price obtained in that bunched transaction or series of bunched transactions per execution venue. Securities purchased or sold in a bunched transaction are allocated pro rata in proportion to the size of the order placed by us on behalf of each participating client. We may decide to complete a bunched order for one strategy but not another when multiple strategies are combined in a bunched order due to low cash levels or other factors.

We notify non-discretionary model programs of model changes at the same time we notify Driehaus traders of strategy changes for our discretionary client accounts. Unaffiliated investment advisers may trade for model programs at the same time that Driehaus traders trade for our discretionary client accounts. This may cause us to not complete an order due to market liquidity or other market factors.

We aggregate orders in private placement securities for Driehaus Mutual Funds and other accounts that we manage in accordance with the SEC's no-action letter issued to Massachusetts Mutual Life Insurance Company on June 7, 2000. Specifically, when we buy a private placement security for one of the Driehaus Mutual Funds and for an affiliated private pooled account in a "joint transaction" as defined in Section 17(d) and Rule 17d-1 of The Investment Company Act of 1940, as amended, we make an independent determination that the private placement investment is appropriate and allowable for each participating mutual fund, considering the mutual fund's investment objectives and current circumstances. We do not negotiate any terms of the offering other than price, and we ensure that all participating clients receive fair treatment, participate in the private placement investment on the same terms and conditions, and share any transaction costs on a pro rata basis.

Clients in an equity strategy may direct us to place transactions for their accounts with a particular broker or dealer, or direct us to use certain brokers or dealers in order to support the advancement of businesses in a particular location or those owned and controlled by women, minorities or persons with a disability. In such cases, we may not be able to negotiate commissions with those brokers or dealers

on our client's behalf. Clients directing us to use such brokers or dealers to effect all or a specific percent of their account transactions may sacrifice execution quality or pay higher commissions and fees than other clients. In addition, such clients may not be eligible to participate in advantageous block trades in which we enter trade orders for multiple orders for multiple accounts in a single block for all or a portion of the directed trade. For these reasons, we cannot assure best execution on trades for client accounts when we are instructed to use a directed broker for all or a specific amount of client transactions. However, where we have the ability to choose among various brokers or dealers to achieve the client's direction, we select the broker or dealer we reasonably believe will provide best execution for the trade. We also may bunch the client's trades with those of other clients in order to seek better prices or lower commissions and other charges. If a client requests that transactions be directed to a specific broker, we will instruct that broker that all trades for that account be designated as "directed" for that client unless advised otherwise by us. For bunched orders, only that client's portion of the order will be designated as "directed."

Driehaus Mutual Funds has instructed us to direct certain portfolio trades, subject to obtaining best execution, to broker-dealers that have agreed to rebate to Driehaus Mutual Funds' part of the commission generated. The rebates are used to offset a portion of their operating expenses. Driehaus Mutual Funds does not direct trades to any broker-dealers to compensate them for promoting or selling shares of its portfolios. Driehaus Mutual Funds only directs trades in order to pay certain expenses, such as custodian and legal fees, provided the broker-dealer also can provide best execution.

We may effect pre-arranged securities transactions between two advisory clients, which are commonly referred to as "cross trades." We receive no compensation for effecting cross trades. In addition, we effect cross trades in an objective manner and only if we believe the price is fair to any clients involved and that no client is disfavored by the cross trading. To reduce transaction costs and promote trading efficiencies for mutual fund clients, we can engage in cross transactions in accordance with procedures adopted pursuant to Rule 17a-7 of the Investment Company Act of 1940.

Soft Dollar Arrangements

Driehaus Capital Management receives eligible research and brokerage services from broker-dealers and third parties in connection with client securities transactions. These services are paid with soft dollar credits generated by our clients' brokerage commissions. These types of eligible transactions and benefits received are in accordance with Section 28(e) of the Securities Exchange Act of 1934. The receipt of these benefits means we do not have to produce or pay for certain brokerage or research services. The benefits that we may receive or did receive in the last fiscal year include reports and analyses relating to particular securities, classes of securities, securities markets, performance comparisons,

analyses of economic, technical, industry, national and international trends, risk management, software applications and security pricing services.

In certain instances, we may receive products or services that are used both for research or brokerage services and also for other purposes, such as administrative support and marketing. In such instances, we make a good faith effort to determine the relative proportions of the products or services that may be considered as eligible investment research or brokerage. This allocation process poses a potential conflict of interest to us. The portion of the cost of such products or services attributable to eligible brokerage or research may be defrayed through brokerage commissions generated by client transactions, while we pay the portion of the costs attributable to non-eligible products and services in cash.

Research services furnished or paid for by brokers through whom we effect transactions for a particular account may be used by us in servicing other accounts, and not all such services may be used for the benefit of the client that pays the brokerage commission. We do not seek to allocate the benefits to client accounts proportionately to the commissions the accounts generate. Any advisory or other fees paid to us are not reduced as a result of the receipt of research services.

Our use of soft dollar arrangements creates conflicts of interest. We may have an incentive to disregard our best execution obligations when selecting brokers that provide us with soft dollar benefits. We manage this conflict by entering into Client Commission Arrangements with certain brokers that we believe provide best execution, in addition to receiving proprietary research directly from certain brokers with whom we execute transactions. We also regularly monitor execution quality.

Our use of soft dollar arrangements also means that our clients pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. We have established internal procedures to support our good faith determination that the amount of commission paid is reasonable in light of the value of the brokerage and research services being provided. We have appointed an inter-departmental committee composed of representatives from Investment Management and Research, Trading, Operations, Financial Services, Compliance and Legal to oversee our soft dollar arrangements. The committee is responsible for implementing effective internal controls to track, monitor, review and report, as appropriate, soft dollar activity to Senior Management.

Trade Errors

When we cause a trade error that results in a net loss to a client account, we promptly reimburse the client for any loss resulting from the error. If a trade error results in a net gain to a client account, the account retains the net gained amount. There is no single method of calculating gains, losses or compensation

due as a result of a trade error. The determination of the method is highly dependent on the facts and circumstances of the particular trade error. A record of all trade errors, including the calculation of the client reimbursement, is maintained by our Compliance Department.

Item 13 - Review of Accounts

Our client accounts normally invest in the same securities as other accounts in the same strategy following as similarly as possible the model account for that particular strategy. Absent client imposed or legal restrictions, our clients in each strategy will have virtually identical portfolios in terms of the securities held and the amount of each security as a percentage of account market value. All portfolios following a particular strategy also generally will be buying or selling the same securities at the same time and thus paying or receiving the same average prices. Because of this, client portfolios in a particular strategy may not be able to sell or acquire securities as quickly or at the same prices as they might if each were managed and traded individually. Any differences between account portfolios will occur primarily because of differences in legal or client restrictions, client circumstances or the timing of investments due to client cash inflows and withdrawals.

Our portfolio managers and investment analysts continually monitor the various securities held in client portfolios. They evaluate liquidity, position overlap (between strategies), and sector and geographic exposures relative to each strategy's respective benchmark. Daily client portfolios are available. If there is a reason to reevaluate any investments, the situation will be reviewed promptly for each client portfolio that holds the security in question. As attractive new investments are identified for the model account in any particular strategy, they are added to each similar strategy client's portfolio in the same percentage (to the extent possible given the differences created by legal restrictions, client restrictions, investment guidelines, account sizes, cash positions and cash flows) as all other clients in that strategy.

In addition, our risk management personnel monitor and identify risks across all of our strategies by examining portfolio exposures, identifying contribution to portfolio volatility and highlighting anticipated sources of risk. Although independent of the portfolio management function, there is regular and frequent interaction with the portfolio managers in reviewing the portfolios of the strategies. Risk management personnel also participate in our monthly distribution of information to the Investment Policy Committee and quarterly meetings of the Investment Policy Committee.

The Investment Policy Committee oversees each investment strategy and discusses investment risk items, compliance risk items and strategy-specific items. The Committee reviews investment strategy-level metrics that include the number of holdings, market capitalization exposures, security concentrations,

overlapping securities among our investment strategies and firm-wide security-specific liquidity to ensure compliance with each strategy's guidelines. The Committee receives and reviews this information on a monthly basis and meets to discuss the information at least quarterly. If necessary, any corrective action that is to be taken is communicated to the portfolio managers. The Committee members are responsible for advising the Committee of any significant issues that may arise intra-month that should be promptly addressed. Our Compliance Department monitors client accounts to ensure adherence to client-specific investment policies and restrictions. The Compliance Department has developed and implements a compliance program, including written compliance policies and procedures. The Compliance Department monitors compliance with policies and procedures on a daily, weekly, monthly, quarterly or annual basis, as deemed necessary.

Our equity strategy portfolios (except for portfolios of Driehaus Mutual Funds, which are subject to additional separate pricing and liquidity procedures, and the credit strategy and event driven strategy, which are marked to market and reviewed daily) are marked to market each day and reviewed by using in-house software that incorporates and compares separate sources for end of day prices. Reports that display cash, common stocks and other equities in each account, and current market value are produced daily. Portfolios of the same type are compared daily through internal reports to determine comparability in security position sizes and industry group and industry sub-group exposure. On a daily and monthly basis, client custodial statements are reviewed and reconciled to our in-house portfolio reports.

Our separately managed account clients receive from us monthly account statements showing total value, positions by cost and current market value. Shareholders of Driehaus Mutual Funds receive quarterly statements showing, among other things, number of shares purchased, price per share, and current account value.

Item 14 – Client Referrals and Other Compensation

We have an arrangement with a separate firm to act, on a non-exclusive basis, as our representative to introduce us to prospective clients. This firm does not have the authority to bind us to any contractual relationship with prospective clients. Only we can enter into agreements with clients. This firm receives a percentage of the net fees earned by us from consenting clients introduced to us by them. Compensation to this firm has no impact on the level of advisory fees paid by our clients.

In addition, we have business relationships with certain third-party, unrelated investment consultants that may refer potential clients to us. We may purchase products or services from the consultants or their affiliates, such as performance measurement or index analysis services for use in the regular course of our advisory business and not as compensation for client referrals, but which may

create conflicts of interest for certain consultants. The benefits provided to us by receipt of the consulting assistance services may assist us in our provision of investment management services to our clients. We will manage any potential or actual conflict of interest that arises from our receipt of such services appropriately.

Item 15 – Custody

We do not have custody of our clients' funds or securities, except for our affiliated pooled accounts. These accounts are subject to an annual audit by an independent public accountant that is registered with the Public Company Accounting Oversight Board. The audited financial statements are distributed to the investors in the pooled accounts.

Item 16 – Investment Discretion

Our investment advisory agreements with our clients provide that we will manage their accounts with discretionary authority to make purchase and sale decisions without obtaining their consent or approval for each transaction. This includes the authority to select the type and amount of securities to be bought or sold, the broker or dealer to execute the transactions and the commissions to be paid. Our discretionary authority is exercised consistent with written investment objectives and restrictions of the strategy for the client's account.

For registered investment companies, our authority is limited by certain federal securities and tax laws.

We may also enter into investment advisory agreements to provide model portfolio services where we do not have discretionary authority to make purchase and sale decisions and instead are limited to providing recommendations for purchases and sales.

Item 17 – Voting Client Securities

For our clients for whom we vote proxies, we retain the final authority and responsibility for the voting. We consistently apply our proxy voting policies and document the reasons for our votes. We provide our clients with a written summary of our proxy voting policy and the complete proxy voting policy upon request. We maintain the records of our voting activities for our clients and regulating authorities. We vote securities based on a pre-determined voting policy and the recommendations of an independent third-party to avoid conflicts of interests with ourselves.

We have retained Institutional Shareholder Services Inc. ("ISS") to provide in-depth proxy research, vote recommendations and execution, and maintain the necessary record keeping. Our default choice for ISS recommendations is the ISS Sustainability U.S. Proxy Voting Guidelines for domestic client accounts and the

Sustainability International Proxy Voting Guidelines for international client accounts. Our clients may choose another policy, such as the ISS U.S. Proxy Voting Guidelines, as appropriate. In addition to analyses, ISS delivers to us voting reports that reflect voting activities for our clients, enabling them to monitor the voting activities that we perform for them.

Our proxy voting policy sets forth general voting guidelines that ISS follows on various types of issues when there are no company-specific reasons for voting to the contrary. ISS also performs company-by-company analysis, so that each issue is considered in the context of the company under review. We have two overriding considerations in proxy voting: (1) the economic impact of the proposal, and (2) the best interest impact of a proposal.

We generally follow ISS's recommendations and do not use our discretion in voting. Since our client proxies are voted based on a pre-determined policy based upon ISS's recommendations, they are not affected by any potential or actual conflict of interest of ours. We annually, and more frequently if necessary, review ISS's policies and procedures regarding any potential conflicts of interest when making vote recommendations to determine if ISS is voting impartially.

Clients who are interested in obtaining information on how their securities were voted may contact our Relationship Management Department at 1-800-688-8819. In addition, we mail to each client an annual record of all proxies voted for that client.

Item 18 – Financial Information

We have no known financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. Additionally, we have never been the subject of a bankruptcy proceeding.