

# International Small Cap Growth Composite

AS OF DECEMBER 31, 2019



## Highlights

- Seeks the highest-quality small-cap growth companies outside the U.S.
- Truly active, collaborative, bottom-up, fundamental process
- Systematic coverage of the developed and emerging markets small-cap universe
- Broad sector and country approach

## Portfolio Facts

**\$3.1B**

Total Strategy Assets<sup>^</sup>

**\$4B**

Average Market Cap  
(weighted)

**87**

Number of  
Holdings

## INVESTMENT APPROACH

We use a bottom-up approach that seeks to identify companies with outstanding long-term growth potential. We look for companies with:

- Strong financials
- A sustainable competitive advantage
- Industry-best management teams
- Earnings growth greater than the relevant sector or industry

Primarily invests in companies outside the U.S. with market caps of less than \$5 billion at the time of purchase

Approximately 70-100 positions

## ABOUT THE PORTFOLIO

Strategy Inception	4/17/2002
Minimum Initial Investment	\$10 million

## FUND MANAGERS



Ken Applegate, CFA, CMT  
Lead Portfolio Manager  
Years of Experience: 25



Linda Lasater, CFA  
Portfolio Manager  
Years of Experience: 19



Derrick Tzau  
Associate Portfolio Manager  
Years of Experience: 11

## INVESTMENT RESULTS AS OF 12/31/2019

	QTD	YTD	AVERAGE ANNUAL TOTAL RETURNS				
			1 Year	3 Years	5 Years	10 Years	Inception
Composite - Gross of Fees	12.74	30.82	30.82	14.79	10.42	12.30	12.31
Composite - Net of Fees	12.48	29.53	29.53	13.65	9.30	11.09	10.93
MSCI AC World Ex-U.S.A. Small Cap Index	11.01	22.42	22.42	9.65	7.04	6.92	9.26
MSCI World Ex-U.S.A. Small Cap Index	11.40	25.41	25.41	10.42	8.17	8.04	9.06

Returns for periods less than one year are not annualized.

## CALENDAR YEAR RETURNS

	2013	2014	2015	2016	2017	2018	2019
Composite - Gross of Fees	28.47	-7.52	16.62	-6.94	34.81	-14.24	30.82
Composite - Net of Fees	27.08	-8.56	15.38	-7.89	33.51	-15.11	29.53
MSCI AC World Ex-U.S.A. Small Cap Index	19.73	-4.03	2.60	3.91	31.65	-18.20	22.42
MSCI World Ex-U.S.A. Small Cap Index	25.55	-5.35	5.46	4.32	31.04	-18.07	25.41

<sup>^</sup>Total Strategy Assets across all vehicles and composites. Since inception performance calculated from 4/30/2002.

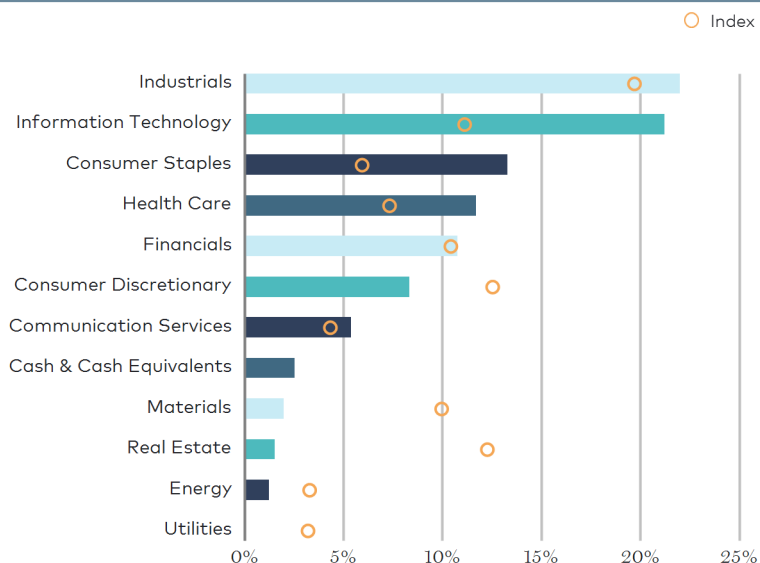
Composite returns for the International Small Cap Growth Composite have been provided. The Wasatch International Small Cap Growth Composite contains fully discretionary equity accounts following the Wasatch International Small Cap Growth style. The composite primarily invests in foreign small cap growth companies with the goal of long-term growth of capital. For comparison purposes the composite is measured against the MSCI AC World Ex-U.S.A. Small Cap and MSCI World Ex-U.S.A. Small Cap indices. Wasatch Global Investors is an independent registered investment advisor.

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MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. The MSCI AC World Ex-U.S.A. Small Cap Index is an unmanaged index representing developed and emerging markets, excluding securities of U.S. issuers. The MSCI World Ex-U.S.A. Small Cap Index is an unmanaged index representing 22 developed markets, excluding the United States. You cannot invest directly in any index.

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**SECTOR ALLOCATION**



**PORTFOLIO CHARACTERISTICS**

	Portfolio	Index
Average Market Cap (\$ weighted)	\$4.1B	\$2.5B
Median Market Cap	\$3.2B	\$899M
Number of Holdings	87	4,210
Est. 5-year EPS Growth (%)	15.5	11.8
P/E (forward)	29.1	14.9
Portfolio Turnover (%)	35	n/a
Active Share (%)	96	n/a

**PERFORMANCE STATISTICS**

Alpha	3.60
Beta	0.96
R-Squared	0.74
Standard Deviation	13.77
Upside Capture	98.92
Downside Capture	82.07

Performance period: 5 year

**COUNTRY ALLOCATION**

	Portfolio	Index		Portfolio	Index
<b>Developed</b>	<b>82.6%</b>	<b>79.3%</b>	<b>Emerging and Frontier</b>	<b>14.9%</b>	<b>20.7%</b>
Japan	25.8	21.9	India	5.6	2.7
United Kingdom	20.0	13.4	Taiwan	3.0	4.2
Australia	8.2	5.4	South Africa	1.5	1.0
Germany	7.9	4.5	Mexico	1.5	0.6
Italy	4.2	2.5	South Korea	1.3	3.2
Canada	3.5	6.8	China	1.3	2.2
Denmark	3.0	1.3	Brazil	0.7	2.2
Other	9.9	23.6	Other	4.6	

Weights are calculated as a percentage of total portfolio including cash & cash equivalents.

**TOP TEN HOLDINGS** AS OF 12/31/2019

Cochlear Ltd.	2.1
Nihon M&A Center Inc.	2.0
Diploma PLC	2.0
Halma PLC	2.0
DiaSorin	1.8
Royal UNIBREW A/S	1.8
Vitasoy International Holdings Ltd.	1.8
Hypoport AG	1.7
AU Small Finance Bank Ltd.	1.7
Silergy Corp.	1.7
<b>Total</b>	<b>19%</b>

Portfolio Characteristics, Allocations, and Top Ten Holdings are derived from representative accounts following the Wasatch International Small Cap Growth style. Individual client accounts may differ from the representative accounts. Portfolio holdings are subject to risks and may change at any time. References to specific securities should not be construed as recommendations by the Advisor.

**Est. 5-year EPS Growth %:** Estimated percentage increase in earnings per share (EPS) per year of the fund's holdings over the next 5 years. Returns are not guaranteed and may be higher or lower. Source: Wasatch and FactSet. **P/E (Forward):** Sum of stock prices of the fund's holdings divided by the aggregate earnings per share of those holdings for the next 12 months calculated as a weighted harmonic average. **Weighted Average Market Cap:** Average market capitalization of companies held by the fund, weighted by their percentage of fund net assets. **Portfolio Turnover:** A measure of trading activity in a fund's portfolio over the past 12 months expressed as a percentage of the fund's average total assets. **Alpha** measures a fund's risk/reward potential. A positive alpha means the fund outperformed the index. A negative alpha means the fund underperformed the index. **Beta** measures a fund's risk in relation to the market. A beta of 0.8 means the fund's total return is likely to move up or down 80% of the market change; 1.25 means total return is likely to move up or down 25% more than the market. **R-Squared** measures (from 0 to 1.0) how closely a fund's movements are correlated with movements of its benchmark. An R-squared of 1.0 would mean that the fund's movements are completely correlated with the movements of its benchmark. **Active Share** measures the difference between portfolio holdings and the benchmark. It is the sum of the absolute values of the different weightings of each holding in the fund versus each holding in the benchmark, divided by 2. **Standard Deviation** measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Upside Capture** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture** explains how well a fund performs in time periods where the benchmark's returns are less than zero.