

# Small Cap Core Growth Composite

AS OF SEPTEMBER 30, 2020



## Highlights

- A concentrated, yet diversified growth portfolio of high-quality companies
- Highest-quality, stable growth companies
- Most valuation sensitive Wasatch growth strategy

## Portfolio Facts

\$5.2B

Total Strategy Assets<sup>^</sup>

\$6B

Average Market Cap  
(weighted)

57

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 in good and bad economic environments

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

Approximately 40-60 positions

## ABOUT THE PORTFOLIO

Strategy Inception	12/6/1986
Minimum Initial Investment	\$1 million

## FUND MANAGERS



JB Taylor, CEO  
Lead Portfolio Manager  
Years of Experience: 24



Paul Lambert  
Portfolio Manager  
Years of Experience: 21



Mike Valentine  
Portfolio Manager  
Years of Experience: 14

## AVERAGE ANNUAL TOTAL RETURNS

INVESTMENT RESULTS AS OF 9/30/2020	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Composite - Gross of Fees	6.90	10.23	19.93	17.20	16.80	16.60	14.29
Composite - Net of Fees	6.73	9.71	19.14	16.35	15.91	15.66	13.04
Russell 2000 <sup>®</sup> Growth Index	7.16	3.88	15.71	8.18	11.42	12.34	8.16
Russell 2000 <sup>®</sup> Index	4.93	-8.69	0.39	1.77	8.00	9.85	9.01

Returns for periods less than one year are not annualized.

## CALENDAR YEAR RETURNS

	2013	2014	2015	2016	2017	2018	2019
Composite - Gross of Fees	34.70	4.94	4.21	12.44	25.82	-1.19	36.42
Composite - Net of Fees	33.67	4.06	3.35	11.50	24.86	-1.97	35.44
Russell 2000 <sup>®</sup> Growth Index	43.30	5.60	-1.38	11.32	22.17	-9.31	28.48
Russell 2000 <sup>®</sup> Index	38.82	4.89	-4.41	21.31	14.65	-11.01	25.52

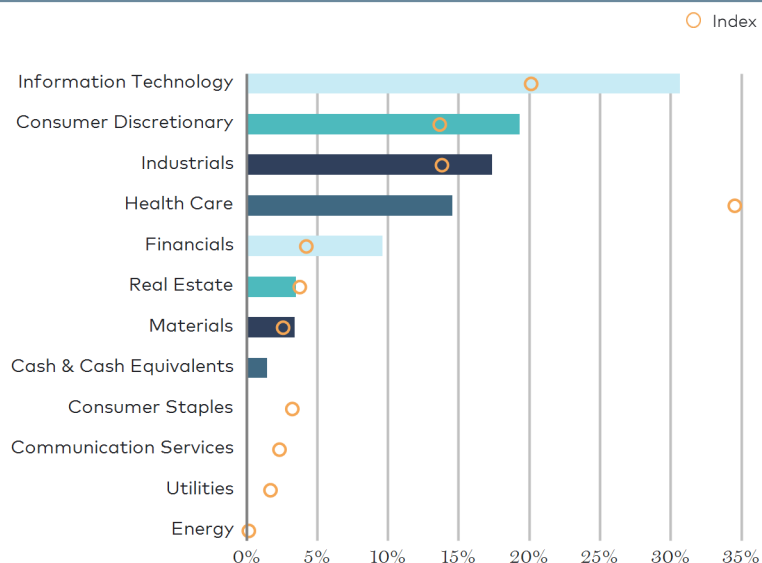
<sup>^</sup>Total Strategy Assets across all vehicles and composites. Since inception performance calculated from 12/31/1986.

Composite returns for the Small Cap Core Growth Composite have been provided. The Wasatch Small Cap Core Growth Composite contains fully discretionary equity accounts following the Wasatch Small Cap Core Growth style. The composite primarily invests in smaller growing companies at reasonable prices with the goal of long-term growth of capital. Income is a secondary objective, but only when consistent with long-term growth of capital. For comparison purposes the composite is measured against the Russell 2000<sup>®</sup> Growth and Russell 2000<sup>®</sup> indices. Wasatch Global Investors is an independent registered investment advisor. Registration does not imply a certain level of skill or training. Wasatch Global Investors claims compliance with Global Investment Performance Standards (GIPS<sup>®</sup>). To receive a complete list and description of composites and/or a GIPS-compliant presentation, e-mail [inforequest@wasatchglobal.com](mailto:inforequest@wasatchglobal.com). Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented both gross and net of investment management fees. Returns are preliminary.

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## SECTOR ALLOCATION



## PORTFOLIO CHARACTERISTICS

	Portfolio	Index
Average Market Cap (\$ weighted)	\$5.9B	\$2.9B
Median Market Cap	\$3.7B	\$899M
Number of Holdings	57	1,099
Est. 5-year EPS Growth (%)	17.8	17.7
P/E (forward)	29.6	22.1
Portfolio Turnover (%)	37	n/a
Active Share (%)	94	n/a

## PERFORMANCE STATISTICS

Alpha	5.49
Beta	0.92
R-Squared	0.93
Standard Deviation	19.07
Upside Capture	103.78
Downside Capture	85.78

Performance period: 5 year

## COUNTRY ALLOCATION

	Portfolio	Index		Portfolio	Index
<b>Developed</b>	<b>98.5%</b>	<b>100.0%</b>	<b>Emerging and Frontier</b>	<b>-</b>	<b>-</b>
United States	93.2	100.0			
Ireland	3.1				
Israel	2.2				

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

## TOP TEN HOLDINGS AS OF 6/30/2020

Pool Corp.	3.3
Icon PLC	3.0
Paylocity Holding Corp.	2.9
Trex Company Inc.	2.9
Monolithic Power Systems Inc.	2.6
Five9 Inc.	2.6
Medpace Holdings Inc.	2.5
Hamilton Lane Inc.	2.4
Proofpoint Inc.	2.3
Floor & Decor Holdings Inc.	2.3
<b>Total</b>	<b>27%</b>

Portfolio Characteristics, Allocations, and Top Ten Holdings are derived from representative accounts following the Wasatch Small Cap Core 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 funds 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.