2023 TCFD

Task Force on Climate-Related Financial Disclosures Report

DECEMBER 31, 2023

Each year, Wasatch Global Investors strives to refine the firm's approach to investing while keeping the core tenets of its investment philosophy – looking for truly exceptional businesses with sustained growth potential. Wasatch believes integrating climate-related opportunities and risks is an important part of this effort.

The third iteration of the firm's TCFD report tries to show a thoughtful, integrated approach to considering climate-related opportunities and risks in Wasatch's business strategy and day-to-day operations.

As always, the firm's focus is on delivering market-beating performance for its clients around the world.

For more information on the firm's views on other ESG considerations in its investment strategies, please view the ESG page of Wasatch's website: *https://wasatchglobal.com/about-esg/*.

Key Takeaways

1. Wasatch integrates climate-related risks and opportunities into business management and investment processes.

2. Scenario testing implies Wasatch will demonstrate resilience if global policy action is taken to limit temperature increases to 2°C (in line with the Paris Climate Agreement).

3. Climate-related business risks are managed in the firmwide business risk strategy.

4. The firm's total Gross Scope 1, 2 and 3 GHG Emissions were 1,188 T of CO_{2e} as of December 31, 2023.

5. Wasatch bought carbon offsets equivalent to its emissions, to achieve carbon neutrality in 2023.

6. Sustainability goals are in place, which aim to reduce the environmental impact of the firm's day-to-day operations.

7. Wasatch has not set targets for climate-related metrics in its investment strategies.

Figure 1: TCFD Executive Summary	
GOVERNANCE	
Board Oversight	Wasatch's Board of Directors maintains oversight of climate-related risks and opportunities as part of its responsibility to guide and oversee the long-term strategy and direction of the firm.
Management's Role	Wasatch's Sustainability Committee, Business Risk Committee, ESG (Environmental, Social and Governance) Committee and Business Continuity Committee each have jurisdiction over various aspects of assessing and managing climate-related risks and opportunities.
STRATEGY	
Climate-Related Opportunities/Risks	Climate-related opportunities include lower energy costs, improved investment due diligence and support for global climate efforts. Climate-related risks include client divestment, increased regulatory burdens, reputational damage and physical risks to assets. Wasatch believes that thoughtful incorporation of climate-related risks and opportunities in the investment due diligence process may reduce risk and maximize returns over long-term investment horizons.
Potential Impact	Climate-related risks and opportunities could have an impact on Wasatch revenues, expenditures and physical infrastructure.
Business Resilience	The results of the MSCI Climate Value-at-Risk® scenario analysis tool suggest that the average value-at-risk for Wasatch's aggregated investment strategies is 14% as of December 31, 2023, if aggressive and unified global policy action were taken to limit temperature increases to 2°C (in line with the Paris Climate Agreement).
RISK MANAGEMENT	
Opportunity/Risk Identification	Climate-related risks are identified and assessed, in part, by a proprietary database, or risk matrix, used by the Business Risk Committee to compare and prioritize risks and risk-control efforts. Risks are identified in the investment process via bottom-up, fundamental due diligence performed by the ESG Team and analysts in tandem. Third-party data providers are used to supplement analysis.
Opportunity/Risk Management	Wasatch's primary goal is to eliminate identified risks where possible. When the risk cannot be eliminated completely, the firm will seek to employ controls to mitigate and manage identified risk factors. For investments, these controls may include specialized due diligence, extensive conversations with management teams, proxy voting, and, when the risk and return profile deems financially prudent, divestment.
Process Integration	Assessing climate-related risks is fully integrated into the overall risk-management strategy of the firm and investment processes.
METRICS AND TARGETS	
Metrics Used	Wasatch fully measures its Scope 1 and 2 emissions and certain categories of its Scope 3 carbon emissions on a best-efforts basis. For investment strategies, Wasatch uses Carbon Intensity, Weighted Average Carbon Intensity (WACI) and, to a lesser extent, Carbon Footprint.
Disclosures	As of December 31, 2023, Wasatch's total Scope 1, 2 and 3 Emissions were calculated to be 1,188 T of CO_{2e} (changing 0% from 2022). Wasatch also purchased 1,188 T of CO_{2e} in carbon offsets. For this reason, Wasatch believes the firm has achieved the goal of carbon neutrality for 2023.
Targets	Wasatch's Sustainability Committee and Board of Directors have established sustainability-related goals for the firm's operations. Wasatch has not set targets for climate-related metrics in the investment strategies.

Source: Wasatch Global Investors

Pillar 1: Governance

BOARD OVERSIGHT

Wasatch's affairs are governed by its Board of Directors (the "Board"). The Board consists of members of senior management and meets at least quarterly. The Board is responsible for the overall control environment within the firm, as well as developing Wasatch's long-term strategy. To assist with its duties, the Board has commissioned four independent committees to assist in managing day-to-day operations, implementing Board-directed strategies and supporting risk management. These four committees are the Research Committee, Management Steering Committee, Corporate Governance and Audit Committee ("Audit Committee") and Investment Risk Committee.

The Board has ultimate oversight of climate-related risks and opportunities via the Audit and Investment Risk committees. Beneath the Audit Committee sit the Business Continuity and Business Risk committees. The Investment Risk Committee oversees the ESG and Sustainability committees. Each of these committees is responsible for supporting the identification, measuring and monitoring of climate-related risks. The Board considers relevant climate-related risks and opportunities brought forth by the committees when determining the overall strategy and direction of the firm.

MANAGEMENT'S ROLE

Management of climate-related risks and opportunities at Wasatch is supported by the Sustainability, ESG, Business Continuity and Business Risk committees. All committees ultimately report to the Board of Directors, which works in tandem to guide, set and execute sustainability strategies across the firm. Membership on these committees is diverse and spans the breadth of the firm.

SUSTAINABILITY COMMITTEE

Wasatch's Sustainability Committee is primarily responsible for implementing strategies and programs to reduce the negative environmental impact of the day-to-day operation of the firm. Initiatives put forth by the Sustainability Committee include tracking the firm's carbon footprint, establishing carbon-offset partners, exploring renewable power sourcing, improving the energy efficiency of the office space, facilitating recycling and waste diversion efforts, and incentivizing/training employees in line with sustainability efforts. The Committee also measures and monitors the effectiveness of these strategies and programs.

ESG COMMITTEE

The ESG Committee focuses on the environmental, social and governance (ESG) risks and opportunities that may impact Wasatch's asset-management strategies. The ESG Committee oversees the development and refinement of tools deployed throughout the firm's research department to facilitate ESG analysis. Emphasis is placed on the processes used to identify, analyze and mitigate risks or capitalize on opportunities. In addition, the ESG Committee monitors compliance with stated ESG integration efforts and trainings. The Committee meets quarterly and reports to the Investment Risk Committee.

BUSINESS CONTINUITY COMMITTEE

The Business Continuity Committee drafts and tests Wasatch's crisis-response plans to minimize disruption to business operations and ensure employee safety. The Committee identifies and assesses the potential physical infrastructure and operational impacts that may result from a disaster or other business interruption, such as extreme weather events and natural disasters.

BUSINESS RISK COMMITTEE

The Business Risk Committee identifies risks and employs controls to protect the interests of Wasatch's clients, shareholders and employees. As part of its firmwide risk assessment, the Committee works across all departments and committees to create a comprehensive list of risks facing the firm's operations and to categorize them in a single risk matrix. The risk matrix is used to prioritize and integrate climate-related risks within the context of the firm's overall risk-management strategy.

Pillar 2: Strategy

MATERIAL CLIMATE-RELATED OPPORTUNITIES AND RISKS

FIRM OPERATIONS

Wasatch has identified short-, medium- and long-term climate-related risks and opportunities that could have a material financial impact on the organization, as shown in Figure 2A and Figure 2B. Wasatch's Board of Directors considers these and other climate-related risks and opportunities in Wasatch's business, strategy and financial planning based on the materiality and timeliness of the potential impact.

INVESTMENT STRATEGIES

Wasatch has committed to integrating climate-related opportunities and risks into its research due diligence practices firmwide and across all managed equity portfolios to the extent feasible.

Wasatch believes the thoughtful incorporation of responsible investment practices, including the analysis of ESG factors and climate-related risks and opportunities, can be integrated into the investment due diligence process to reduce risk and maximize returns over long-term investment horizons. The integration of ESG analysis, alongside traditional financial metrics, provides Wasatch investment professionals with a mosaic of relevant risks and opportunities that are incorporated into investment decisions.

Wasatch has published an ESG & Responsible Investment Policy ("ESG Policy") intended to educate clients on ESG factors likely to be deemed financially material. The ESG Policy also describes how ESG and climate-related opportunities and risks are integrated into all aspects of the firm's investment strategy.

For more information on the firm's views regarding climate-related risks and other ESG considerations in its investment strategies, please view the ESG page of Wasatch's website: ***https://wasatchglobal.com/about-esg/***.

Wasatch's ESG Policy is available upon request.

Figure 2A: Climate-Related Opportunities, Timeframe and Impact
AS OF DECEMBER 31, 2023

OPPORTUNITY	DESCRIPTION	TIMEFRAME AND IMPACT
Lower Energy Costs	By installing energy-efficient appliances and hardware (e.g., LED lighting, HVAC, data centers, improved sensors) and implementing energy-saving best practices (e.g., unplugging devices, turning off lights), Wasatch could reduce operational energy costs.	Short-Term Expenditures
Sustainable Resource Management	Adopting sustainable resource management practices, such as delivering client reports electronically, using recycled or reusable office supplies and encouraging recycling best practices among employees, could result in lower supply costs.	Short-Term Expenditures
Improved Investment Due Diligence	The successful integration of climate-related risks and opportunities into Wasatch's existing due diligence approach may enhance understanding of the long-term risk and return potential of each investment.	Medium- to Long-Term Revenue
Support Global Climate Action Efforts	While maintaining compliance with its fiduciary duty to clients, Wasatch may support financial flows toward investments that align with the Paris Climate Agreement. In addition, the firm may support social impacts through volunteer engagements, employee charitable matching and annual donations. Wasatch believes these actions would have a negligible impact on the firm's revenues and expenditures.	Long-Term, Negligible Impact

Source: Wasatch Global Investors

Figure 2B: Climate-Related Risks, Timeframe and Impact AS OF DECEMBER 31, 2023		
RISK	DESCRIPTION	TIMEFRAME AND IMPACT
Divestment	If Wasatch fails to integrate climate-related policies and considerations into its operations and investment processes, clients may choose to terminate the business relationship by divesting assets.	Short-to Medium-Term Revenue
Regulatory Burden	Regulatory authorities could potentially make climate-related disclosure and policy adoption mandatory, which could result in additional costs to the firm.	Short- to Medium-Term Expenditures
Reputational Damage	Failure to accurately assess long-term impacts of climate-related risks in Wasatch's strategies may result in underperformance and reputational damage, making asset retention and growth more difficult.	Long-Term Revenue
Physical Risk	The physical risks posed by climate change include increasingly unpredictable and severe weather patterns. Wasatch's headquarters and/or strategy investments could be physically damaged by these events, making it difficult for employees to continue operations and resulting in financial losses to the firm or to strategy investments. These events may result in impaired assets, increased expenses and possibly lost revenue.	Short- to Medium-Term Revenue, Assets and Expenditures

Source: Wasatch Global Investors

BUSINESS RESILIENCE

Wasatch Global Investors has elected to showcase two approaches to analyzing business and strategy resilience in a 2°C or lower scenario. The first leverages the MSCI ESG Research Climate Value-at-Risk® scenario analysis tool. The second analyzes strategy exposure to high-emitting sectors. Both are intended to contextualize the potential impact on Wasatch Global Investors if aggressive and unified global policy action were taken to limit temperature increases to 2°C (in line with the Paris Climate Agreement).

Wasatch does not rely on the outputs of either method to inform decision-making. The MSCI Climate Value-at-Risk product uses a wide breadth of assumptions, around which the firm does not imply an opinion. More information on descriptions and methodologies can be found in the MSCI ESG Research Climate Value-at-Risk product brochure[1].

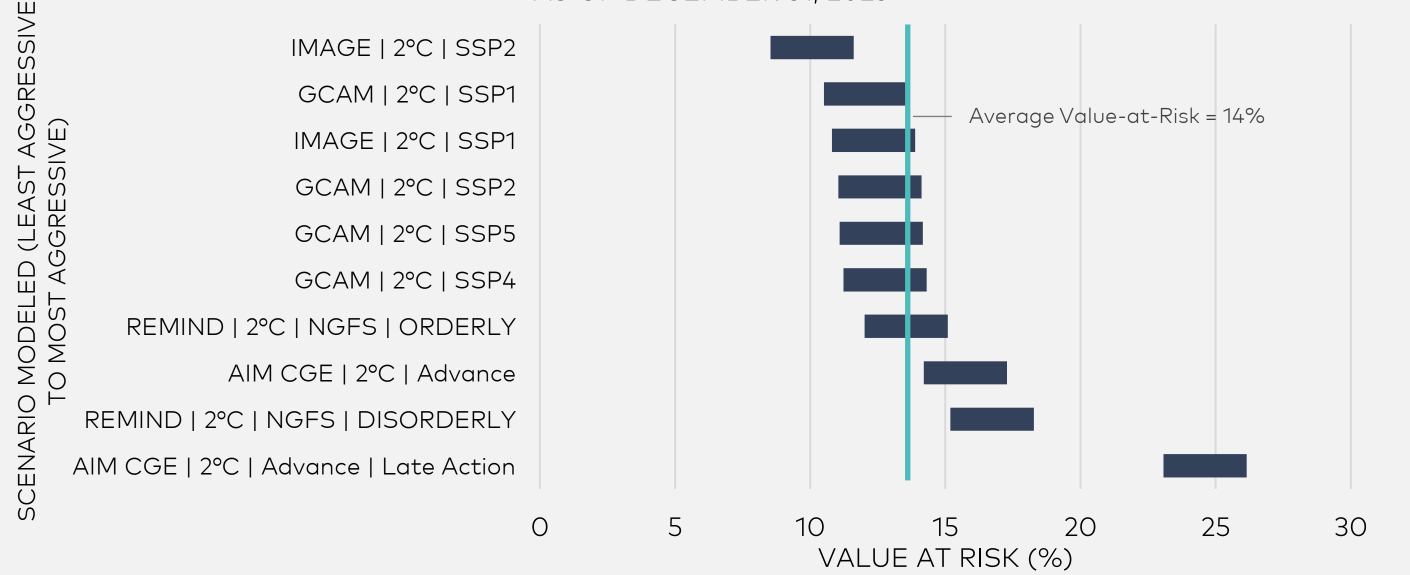
SCENARIO ANALYSIS

Wasatch has elected to utilize MSCI ESG Research's Climate Value-at-Risk® Portfolio Analysis tool, for climate-related scenario testing. The tool allows the modeling of 20 different scenarios. Each scenario represents a dynamic-recursive model to represent the economic impact if hypothetical policy actions were taken to limit temperature increases to 2°C. The output of the tool represents the potential reduction in value of strategy holdings (or assets under management in aggregate), due to the economic impact of each model. Output values are shown in Figure 3.

Scenario analysis results suggest that 14% of Wasatch's investment strategy value (or AUM) as of December 31, 2023, would be "at risk" for potential reduction in a 2°C or lower scenario.

[1] https://www.msci.com/documents/1296102/16985724/MSCI-ClimateVaR-Introduction-Feb2020.pdf

Figure 3: Wasatch Aggregate Value-at-Risk Under Various Climate Transition Scenarios
AS OF DECEMBER 31, 2023



Source: MSCI ESG Research Climate Value-at-Risk, Wasatch Global Investors

EXPOSURE TO HIGH-EMITTING SECTORS

Another method of estimating business resilience in a 2°C or lower scenario is measuring sector exposure to the most carbon-emitting sectors. The aggregate sector exposure breakdown of all strategies managed by Wasatch is shown in Figure 4.

Wasatch assumes that the achievement of a 2°C or lower global temperature change would have the greatest impact on the most carbon-intensive sectors. These sectors are assumed to be utilities, materials and energy (based on MSCI ESG Research Climate Emissions dataset).

Wasatch's combined exposure to these three sectors was 4.4% based on weight as of December 31, 2023. This metric compares to 11.6% for the MSCI All Cap World Index (a benchmark proxy for Wasatch's equity universe).

Relatively low exposure to carbon-intensive sectors might suggest Wasatch and its strategies will demonstrate business resilience if aggressive and unified global policy action is taken to achieve a low-carbon economy.

Figure 4: Wasatch's Aggregate Exposure and Weighted Average Carbon Intensity by Sector
AS OF DECEMBER 31, 2023

	WEIGHT (%)			CARBON INTENSITY	
GICS Sector	Wasatch	MSCI All Cap World Index	Difference	Wasatch	MSCI All Cap World Index
Utilities	0.1	2.6	-2.5	1,309	1,438
Materials	3.4	4.5	-1.1	129	527
Energy	0.9	4.5	-3.6	297	392
Industrials	17.4	12.1	5.3	54	89
Real Estate	1.0	3.1	-2.1	39	74
Consumer Discretionary	14.3	11.2	3.2	51	48
Consumer Staples	4.3	6.6	-2.3	24	43
Information Technology	23.4	21.7	1.7	18	18
Health Care	13.8	11.9	2.0	32	16
Financials	18.2	15.1	3.1	6	15
Communication Services	1.3	6.7	-5.4	19	13

Source: MSCI ESG Research Climate Metrics, Wasatch Global Investors

Pillar 3: Risk Management

IDENTIFYING CLIMATE-RELATED OPPORTUNITIES AND RISKS

FIRM OPERATIONS

Multiple departments and committees within Wasatch help to identify risks to the firm, including climate-related risks. The Business Risk Committee compiles these risks into a single database, or risk matrix, that is mapped to the firm's various policies and procedures. The risk matrix allows the Business Risk Committee to compare and prioritize risks and risk-control efforts.

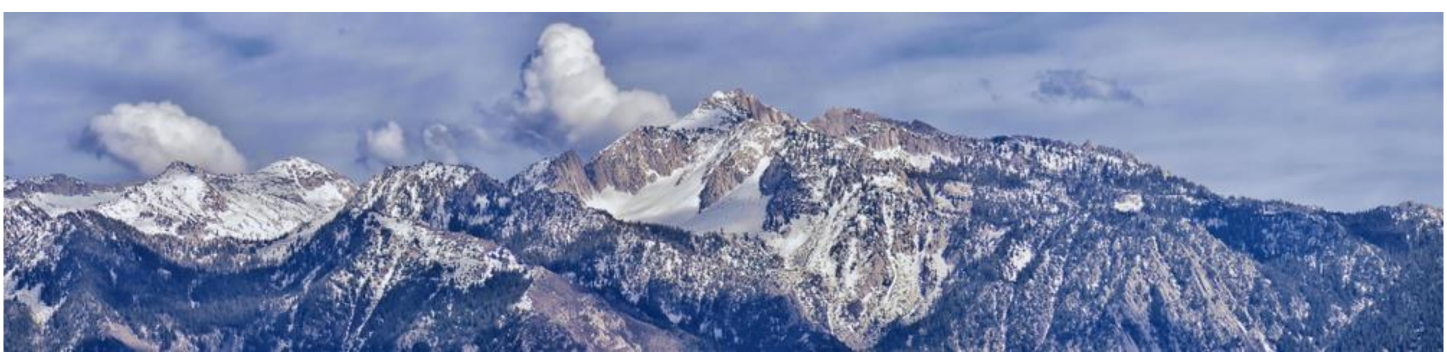
Each risk in the risk matrix has been tagged with the following data points.

- Risk Factor Ranking: For prioritization, each risk is given two numeric rankings—one based on probability and the other on likely degree of impact. Although this sounds like a quantitative scientific process, the assignment of each of these numbers is inherently subjective. These two numbers are combined to attain an overall risk factor ranking for each risk. Thus, an identified risk that is deemed likely to have a material impact on Wasatch and/or its clients and shareholders would be given a high overall risk factor ranking.
- Risk Type: Each risk is assigned to a risk category.
- Process/Task: All risks include a brief description of the compliance processes put into place to address the identified risk.
- Compliance Policy Reference: The risks in the Legal/Regulatory category include a reference to the section of the Compliance rule under which the risk falls.
- Owner: Each risk lists the head of the department most impacted by the risk.
- Controls: A list of controls that help manage and mitigate each risk are also included in the risk matrix.

INVESTMENT STRATEGIES

Wasatch identifies and assesses climate-related risks in each investment strategy via thoughtful integration of ESG factors and climate-related risks into the firm's bottom-up, fundamental due diligence research processes. ESG factors, including climate-related risks and opportunities, are incorporated as part of a broad mosaic of financial and non-financial factors that are material to the risk and return profile of a given investment.

Wasatch has published an ESG & Responsible Investment Policy ("ESG Policy") intended to educate clients on the processes and procedures used to integrate ESG factors, including climate-related risks, into the firm's investment strategy. The ESG & Responsible Investment Policy is available upon request.



MANAGING CLIMATE-RELATED OPPORTUNITIES AND RISKS

Wasatch's primary goal is to eliminate identified risks where possible. When the risk cannot be eliminated completely, the firm will seek to employ controls to mitigate and manage identified risk factors. Controls typically include establishing policies and procedures designed to mitigate risks. Procedures might include checklists, reports, reconciliations, training and audits. Each of the controls identified for each risk are included in Wasatch's risk-assessment database.

To monitor risks, the Business Risk Committee meets each quarter to review the risks determined by this process as most likely to pose a material threat to the firm. The Business Risk Committee also provides its list of top risks to the Audit Committee for review and consideration. Each committee considers changes in either the nature of the risks or of the internal controls and determines whether a risk should be scored higher or lower, or whether other procedural changes are necessary.

Quarterly, the Business Risk Committee reviews each identified risk and its subjective numeric ranking relative to other risks within the matrix. The Committee meets with managers from different departments around the firm to review any new risks or notable changes to existing factors. As part of this review process, Wasatch's dedicated ESG analysts review the Business Risk Committee's matrix at least annually, adding any new ESG and climate-related risks and updating any controls as needed. As the ESG landscape continues to evolve, updating the risk matrix will be an important step for Wasatch's overall risk-management strategy.

The reporting structure for the Business Risk Committee consists of quarterly summaries to the Audit Committee and the Board of Directors. Through each summary, top risks in the risk matrix are outlined, along with a list and explanation of any changes made to the matrix.

INTEGRATING CLIMATE-RELATED OPPORTUNITIES AND RISKS

Climate-related opportunities and risks are fully integrated into the firm's operational business risk management process and investment due diligence process.

For Wasatch's business operations, climate-related risks are included in the Business Risk Committee's mandate in the same manner as all other risks facing the firm. This integration allows the Business Risk Committee to appropriately structure, prioritize and assign climate-related controls within the firm's overall risk-management strategy.

For Wasatch's investment strategies, a detailed summary of Wasatch's policy and procedures for integrating ESG factors into the firm's operations and research process is outlined in Wasatch's ESG & Responsible Investment Policy ("ESG Policy"). The ESG & Responsible Investment Policy is available upon request.

Pillar 4: Metrics and Targets

CLIMATE-RELATED METRICS USED

Wasatch chooses to measure Scope 1 and 2 emissions, and certain categories of its Scope 3 carbon emissions for its operations. For the firm's investment strategies, Wasatch uses Carbon Intensity, Weighted Average Carbon Intensity (WACI), and, to a lesser extent, Carbon Footprint. Though both are utilized, Wasatch prefers Carbon Intensity to Carbon Footprint, as it is not influenced by market-value fluctuations.

The definitions of each metric are sourced from the GHG Protocol and MSCI ESG Research Inc. References and calculation methodologies are included in the Appendix. Data is presented in Figures 5, 6 and 7. Calculations are performed on a best-efforts basis.

- **Scope 1 Emissions:** emissions from sources a company owns or controls.
- **Scope 2 Emissions:** emissions generated from purchased electricity that is consumed by a company's owned or controlled buildings and equipment.
- **Scope 3 Emissions:** emissions from upstream and downstream activities in a company's value chain. Upstream activities include items like purchased goods and services, transportation of raw materials, waste generated in operations, business travel and employee commuting. Downstream activities include categories such as use of products sold, end of life/disposal of products sold, franchises and investments.
- **Carbon Intensity:** the volume of Scope 1 and 2 carbon emissions per dollar of sales generated.
- **Weighted Average Carbon Intensity:** a measure of a portfolio's exposure to carbon-intensive companies.
- **Carbon Footprint**: the volume of carbon emissions per millions of dollars invested (market valuation).

DISCLOSURE OF CLIMATE-RELATED METRICS

Figure 5: Wasatch's Scope 1, 2 and 3 Carbon Dioxide Emissions and Offsets

	2021*	2022*	2023	% Change
ORGANIZATION				
Headcount	88	95	93	-2
GREENHOUSE GAS (GHG) EMISSIONS [T CO_{2e}]				
Scope 1	161	155	161	4
Scope 2	430	278	5	-98
Scope 3 – Business Travel	170	757	1,022	35
Total GHG Emissions	**761**	**1,190**	**1,188**	0
Carbon Offsets Purchased	836	1,251	1,188	-5
Net GHG Emissions	-	-	-	NA
ELECTRICITY [kWh]				
Total Electricity Consumed	609,348	658,449	607,451	-8
Renewable Electricity Capacity	-	264,000	600,600	128
PER EMPLOYEE				
Net GHG Emissions per Employee [T CO_{2e}]	-	-	-	-
Non-renewable Electricity per Employee [kWh]	6,924	4,152	74	-98

Sources: Wasatch Global Investors, Woodbury Corp, Dominion Energy, Rocky Mountain Power and Pachama Inc. According to the EPA (United States Environmental Protection Agency), CO_{2e} is the combination of the pollutants that contribute to climate change adjusted using their global warming potential.

*Scope 1 and Total GHG emissions for 2021 and 2022 have been restated and differ from prior year reporting due to overstatements in prior reporting. An error was found in prior calculations and was corrected for the 2023 issuance of the TCFD report. Errors may occur in our calculations from time to time. Although we strive to maintain accuracy, but we cannot guarantee it at all times.

CARBON NEUTRALITY THROUGH THE PURCHASE OF CARBON OFFSETS

Wasatch is proud to engage in global stewardship through the purchase of renewable energy and carbon offsets. Wasatch believes that the purposeful calculation of emissions, combined with the purchase of carbon offsets, enables the firm to claim carbon neutrality in its operations.

Wasatch aims to purchase carbon offsets in quantities matching the carbon-dioxide-equivalent emissions from the firm's day-to-day operations on a best-efforts basis. Renewable energy capacity is deducted from the total energy utilized by Wasatch when calculating carbon emissions.

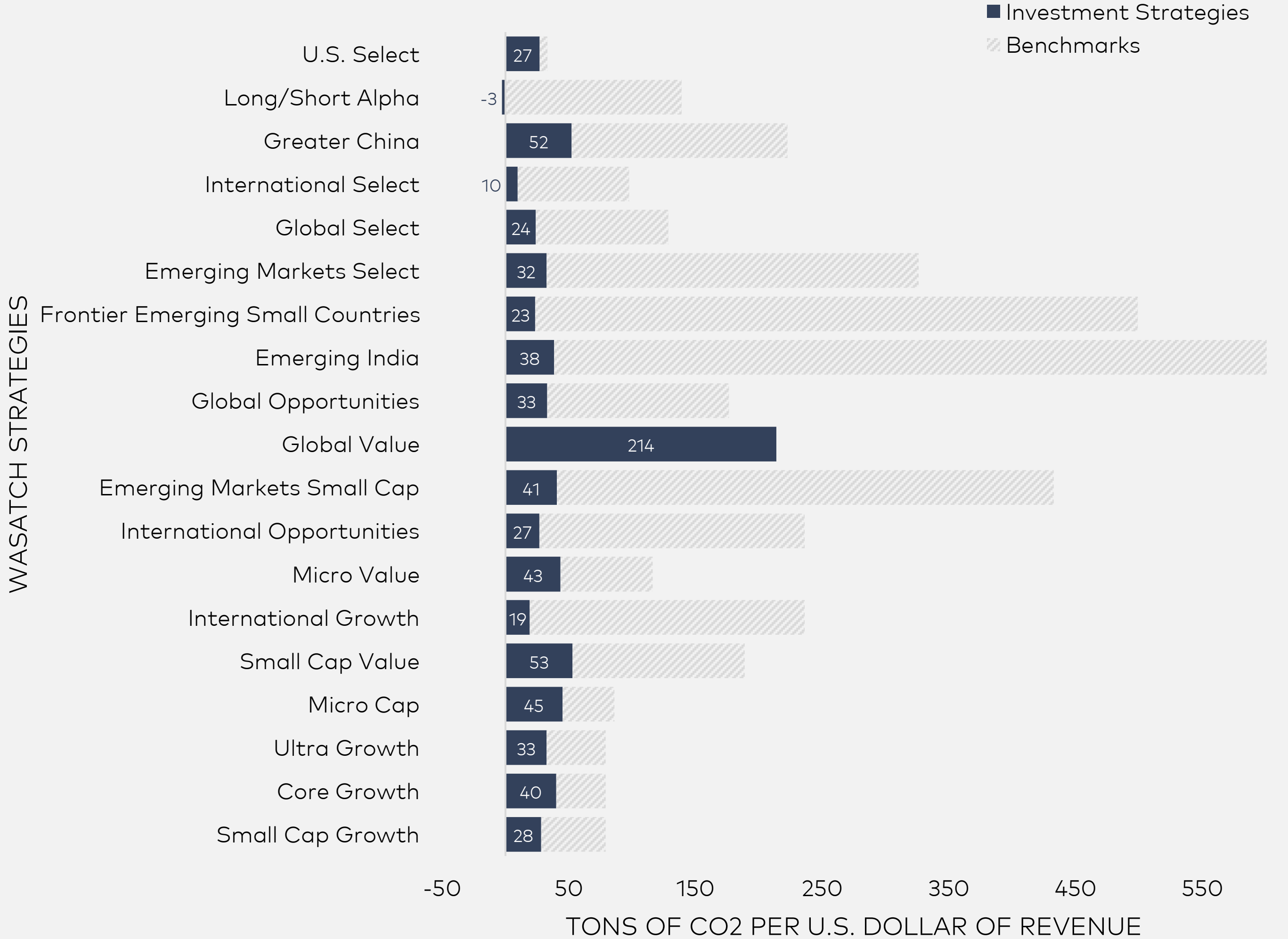
The firm notes that calculations are subject to error due to variability in methodologies and input assumptions. Further, Wasatch relies on a third-party carbon offset provider, Pachama, Inc., to verify carbon projects and offset calculations.

Wasatch's carbon-neutrality claims do not extend beyond the firm's day-to-day operations. Wasatch does not offset emissions apportioned to investments, and thus, does not claim to have any interpretation of carbon-neutral investments or investment strategies.

DISCLOSURE OF CLIMATE-RELATED METRICS IN INVESTMENT STRATEGIES

Figure 6: Graphical Representation of WACI for Each Wasatch Equity Investment Strategy Compared to Each Respective Benchmark

AS OF DECEMBER 31, 2023



Source: MSCI ESG Research Climate Metrics, Wasatch Global Investors

Figure 7: Carbon Emissions Data for Each Wasatch Equity Investment Strategy
Compared to Each Respective Benchmark
AS OF DECEMBER 31, 2023

Strategy	Benchmark	% Estimated Data (by Weight)	Carbon Emissions		Carbon Intensity		Carbon Footprint	
			Strategy	Benchmark	Strategy	Benchmark	Strategy	Benchmark
Small Cap Growth	Russell 2000 Growth	75	26,435	127,275	28	79	6	47
Small Cap Core Growth	Russell 2000 Growth	62	50,223	127,275	40	79	11	47
Small Cap Ultra Growth	Russell 2000 Growth	64	33,291	127,275	33	79	6	47
Micro Cap Growth	Russell Microcap Growth	74	24,858	29,519	45	86	19	33
Small Cap Value	Russell 2000 Value	80	117,701	442,973	53	189	24	155
International Small Cap Growth	MSCI ACWI ex. USA Small Cap	33	23,300	587,978	19	236	6	256
Micro Cap Value	Russell Microcap	55	45,278	75,777	43	116	59	110
International Micro Cap	MSCI ACWI ex. USA Small Cap	33	14,613	587,751	27	236	8	255
Emerging Markets Small Cap	MSCI Emerging Markets Small Cap	37	31,123	476,255	41	433	6	331
Global Value	MSCI ACWI Value	23	8,684,114	8,997,293	214	197	111	156
Global Opportunities	MSCI ACWI Small Cap	56	44,113	524,263	33	176	7	170
Emerging India	MSCI India IMI	38	63,378	9,768,795	38	601	4	311
Frontier Emerging Small Countries	MSCI Frontier Emerging	17	106,379	1,456,618	23	499	5	314
Emerging Markets Select	MSCI Emerging Markets	21	165,871	8,978,584	32	326	4	294
Global Select	MSCI ACWI	28	125,446	5,728,024	24	129	5	88
International Select	MSCI EAFE	33	56,245	5,002,584	10	98	5	105
Greater China	MSCI China Index	27	476,150	7,986,013	52	223	11	397
Long/Short Alpha	Russell 2500	65	-88,093	909,349	-3	136	-28	122
U.S. Select	Russell 3000 Growth	34	95,168	2,330,222	27	33	5	12

Source: MSCI ESG Research Climate Metrics, Wasatch Global Investors

STRATEGY-SPECIFIC COMMENTARY

Wasatch Global Value

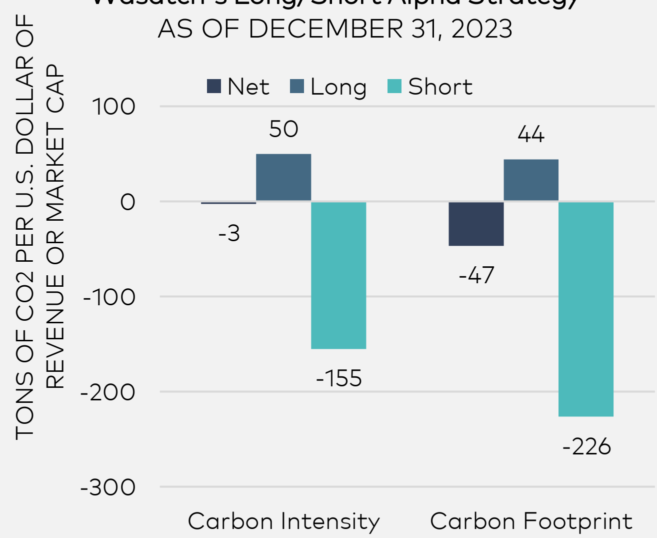
The Wasatch Global Value strategy had the largest WACI and carbon footprint, owing to an overweight relative to its benchmark in the utilities and energy sectors as of December 31, 2023. Utilities and energy are among the highest carbon-emitting sectors. It is important to note that Wasatch does not seek to optimize portfolio construction based on climate-related metrics, and the Global Value strategy is well in line with its mandate to seek value-oriented stocks that are purchased below its assessment of their long-term intrinsic value.

Wasatch Long/Short Alpha

For Wasatch's Long/Short Alpha strategy, the firm recognized that traditional long-only reporting strategies may not accurately capture the real-world impacts and risks of the strategy with regards to climate-related factors. Although there is no clear global market consensus or regulatory guidance on how to treat and report long/short strategies, Wasatch has opted to follow the recommendations put forth by MSCI ESG Research LLC's ESG Reporting in Long-Short Portfolios (April 2022) document. Figure 8 presents this disclosure recommendation.

The metrics disclosed in the preceding figures all capture the net strategy metric, which combines the long and short portions of the strategy. Wasatch believes this is the best metric for comparability among all Wasatch strategies and benchmarks.

Figure 8: Breakdown of Long and Short Carbon Intensity and Carbon Footprint of Wasatch's Long/Short Alpha Strategy
AS OF DECEMBER 31, 2023



Source: MSCI ESG Research Climate Metrics, Wasatch Global Investors

SUSTAINABILITY TARGETS

Wasatch strives to be a good steward of the environment by implementing sustainability initiatives in the firm's day-to-day operations. The Sustainability Committee has refined previously established goals, which are detailed below, surrounding the firm's operations. Note that Wasatch does not set targets for climate-related metrics in its investment strategies. Rather, Wasatch promotes climate-related disclosures for better assessment of climate-related risks and opportunities into investment return potential.

CARBON NEUTRALITY

- Maintain 100% carbon neutrality, including the purchase of offsets

RECYCLING, REDUCING AND ELIMINATING

- Offer comprehensive recycling options in the kitchen and workspaces
- Purchase products sourced from recycled materials whenever possible
- Eliminate single-use plastics
- Ensure that the office building follows best-practice energy efficiency standards

EMPOWERING

- Incentivize employees to reduce energy consumption through voluntary education, community engagement and commuter programs

Appendix

METRICS CALCULATION METHODOLOGIES

Wasatch aimed to calculate its Scope 1, 2 and 3 carbon emissions using methodologies as outlined by TCFD's Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2021 annex) and the GHG Protocol[2]. Strategy metrics were sourced using MSCI ESG Research's Carbon Emissions Metrics[3] and Wasatch Global Investors as of 12/31/2023. Although the recommendations were applied on a best-efforts basis, several assumptions were necessary due to incomplete data and conversion to standardized units for reporting. Wherever possible, the quantification is based on the most recently available local statistics.

SCOPE 1

The only source of Scope 1 emissions for Wasatch's operations are the firm's hot-water heaters and furnaces that acclimatize its Salt Lake City headquarters. Note that Wasatch does not own or occupy 505 Wakara Way, or "the building" that houses its headquarters, in entirety. Rather, Wasatch leases the third floor and portions of the first and second floors. Combined, the total space Wasatch leases amounts to approximately 68% of the building's available space by square foot. For its Scope 1 and 2 emissions calculations, Wasatch adjusts input metrics (reported for the aggregate building), by 68%, or by per-floor square footage leased, to exclude emissions that are apportioned to other tenants of the building.

To calculate Wasatch's Scope 1 emissions, the formula considers the quantity of natural gas (in cubic feet, or "therms") purchased to power the building's boilers and furnaces. This metric is disclosed by the building's natural gas provider, Dominion Energy. After adjusting the building's aggregate metric to Wasatch's apportioned gas use, a multiplier is utilized to convert natural gas therms to carbon emissions. The multiplier used in the calculation was sourced from the EPA's Greenhouse Gas Equivalencies Calculator[4]. The multiplier at the time of calculation is 0.0053 therms of gas per metric ton of CO_{2e} emissions.

The following formula is used to calculate Wasatch's Scope 1 CO_2-equivalent emissions:

$$Scope\ 1\ CO_{2e} = w_b(NG) \times M$$

with

$Scope\ 1\ CO_{2e}$ – metric tons of carbon dioxide equivalent emissions [t CO_{2e}]
NG – therms (or cubic feet) of natural gas apportioned to 505 Wakara Way [thm]
w_b – percent of the building leased by Wasatch Global Investors, based on total square footage
M – EPA's Greenhouse Gas Equivalence multiplier in therms of gas per metric ton of CO_{2e} [thm/t CO_{2e}]

SCOPE 2

For Wasatch, Scope 2 represents the electricity purchased to power its Salt Lake City headquarters, including lighting, cooling and computing power.

To calculate the Scope 2 emissions apportioned to Wasatch's operations, the firm leverages data provided by the building's property manager and utility provider. The building's utility provider, Rocky Mountain Power, discloses purchased electricity for three submeters on the building's first, second and third floors, in the unit kilowatt hours (kWh). The granularity of this floor-by-floor electricity usage enables an adjustment, per-floor, based on the percent of square feet leased by Wasatch. These floor-level adjustments are useful, considering certain floors (e.g., the non-climate-controlled parking garage) have different energy usages.

[2] https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
[3] https://www.msci.com/documents/10199/2043ba37-c8e1-4773-8672-fae43e9e3fd0
[4] https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results

Once electricity data is adjusted based on Wasatch apportioned usage, an assumptive multiplier is needed to convert kilowatt hours of electricity into carbon emissions. The multiplier chosen for the calculation is sourced by the EPA's output emissions rate calculator for the state of Utah. At the time of calculation, the state of Utah's output emissions rate was 1,514 lbs of CO_{2e} per MWh of electricity, or 0.0007775 metric tons of CO_{2e} per kWh of electricity.

It is also worth noting that Wasatch has enrolled in the Utah Subscriber Solar Program through its utility provider, Rocky Mountain Power. The program allows Rocky Mountain Power customers to subscribe to "blocks" of renewable energy, which the utility provider generates from a 20-megawatt solar plant located in Millard County, Utah. For the duration of 2023, Wasatch subscribed to 1,320 Blocks of 200 kWh capacity, for a total monthly renewable capacity of 264,000 kWh (264 MWh annually). This renewable capacity is deducted from the total energy utilized by Wasatch for the year when converting to carbon emissions, as it is completely solar, and thus produces zero carbon emissions.

The following formula is used to calculate Wasatch's Scope 2 CO_2 -equivalent emissions:

$$Scope\ 2\ CO_{2e} = [w_{L1}(E_{L1}) + w_{L2}(E_{L2}) + w_{L3}(E_{L3}) - S] \times M$$

with

$Scope\ 2\ CO_{2e}$ – metric tons of carbon dioxide equivalent emissions [t CO_{2e}]
w_{Ln} – percent of square feet leased by Wasatch on level n
E_{Ln} – electricity usage reported by the submeter located on level n [kWh]
S – solar energy capacity apportioned by the Utah Subscriber Solar Program [kWh]
M – EPA's output emissions rate multiplier for the state of Utah [t CO_{2e}/kWh]

SCOPE 3

Scope 3 emissions are the broadest category, encompassing 15 different subcategories from upstream and downstream activities in a company's value chain. Wasatch emphasizes that the calculation and disclosure of Scope 3 emissions is something the TCFD recommended disclosures encourage, but do not mandate. While Wasatch puts forth best-efforts to calculate Scope 3 emissions that apply to the firm's day-to-day operations, resources and data limit the quality of the calculations. Wasatch has selected two Scope 3 categories that the firm believes encompass its most relevant Scope 3 emissions. The two categories are Category 6: Business Travel and Category 15: Investments. Note that Scope 3 emissions from Investments are included in the subsequent section (starting on page 24), and thus, not included in Scope 3 calculations as defined below, or in Figure 5.

Category 6: Business Travel

Business Travel is an important component of Wasatch's investment strategy. Wasatch believes that face-to-face interaction with management teams, especially at the company's on-site location, produces a high degree of value during the investment due diligence processes. For this reason, Wasatch encourages portfolio managers and analysts to use business travel as a means of initial and ongoing business analysis.

To calculate Scope 3 – Business Travel emissions, Wasatch uses the firm's travel, expense and invoicing software to track all airline travel that is directly related to Wasatch research due diligence and marketing. Using a best-efforts basis, Wasatch determines the mileage traveled for each route, based on the destination of the trip. Once the total miles flown is determined, Wasatch uses a multiplier to convert air travel mileage into metric tons of carbon-dioxide emissions. The multiplier to achieve this conversion is based on the calculator put forth by Foundation myclimate.[5] Wasatch chose to use Foundation myclimate's flight calculator because it con-

[5] https://co2.myclimate.org/en/flight_calculators/new

tained a robust disclosure document, explaining its calculation methodology.6 The methodology document claims that emissions calculations and assumptions are in line with the European standard DIN EN 16258. For all miles flown, Wasatch assumes the fare category is "Business Class." At the time of calculation, the multiplier for air travel was 0.00051 metric tons of CO_{2e} per mile flown in Business Class.

The following formula is used to calculate Wasatch's Scope 3 CO_2-equivalent emissions (business travel):

$$Scope\ 3\ CO_{2e} = \sum F \times M$$

with

$Scope\ 3\ CO_{2e}$ – metric tons of carbon dioxide equivalent emissions [t CO_{2e}]
$\sum F$ – the sum of miles flown per trip throughout the year [mi]
M – air travel CO_{2e} multiplier, put forth by Foundation myclimate's flight calculator [t CO_{2e}/mi]

CARBON INTENSITY

Carbon intensity is calculated at the strategy constituent level by dividing the sum of a company's Scope 1 and Scope 2 emissions (in metric tons of CO_{2e}) by the company's annual revenue. Carbon intensity allows for the comparison of carbon emissions for companies of different sizes.

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

WACI is determined at the strategy level and is achieved by multiplying each constituent's carbon-intensity metric by its respective weight in the strategy.

To calculate the WACI of each of Wasatch's managed equity investment strategies, the firm leveraged carbon intensity data provided by MSCI ESG Research's Carbon Emissions Metrics. Wasatch selected 19 representative accounts to serve as a proxy for all assets managed by Wasatch Global Investors as of December 31, 2023. The collected carbon intensity of each constituent holding was then multiplied by its respective weight in each strategy, both as of December 31, 2023. The sum of the product of this calculation for each strategy is displayed in Figures 6 and 7.

CARBON FOOTPRINT

Carbon footprint is calculated by dividing the sum of a company's Scope 1 and Scope 2 emissions by its market capitalization. Although Wasatch calculates the carbon footprint for each strategy constituent, as well as the weighted average and aggregate at the strategy level, Wasatch does not rely on carbon footprint due to the influence of market pricing on overall results.

To calculate the Carbon Footprint of each of Wasatch's managed equity investment strategies, the firm leveraged carbon intensity data provided by MSCI ESG Research's Carbon Emissions Metrics. Wasatch selected 19 representative accounts to serve as a proxy for all assets managed by Wasatch Global Investors as of December 31, 2023. The collected carbon footprint of each constituent holding was then multiplied by its respective weight in each strategy, as of December 31, 2023. The sum of the product of this calculation for each strategy is displayed in Figure 7.

[6] https://www.myclimate.org/fileadmin/user_upload/myclimate_-_home/01_Information/01_About_myclimate/09_Calculation_principles/Documents/myclimate-flight-calculator-documentation_EN.pdf

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While Wasatch believes ESG metrics are important factors to consider during its research process, these factors should not be taken in isolation but should be viewed within the broader context of the stock evaluation and selection process. Adherence to global ESG frameworks does not necessarily alter long-standing investment strategies.

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