

Views From a Value Manager In a Growth Shop

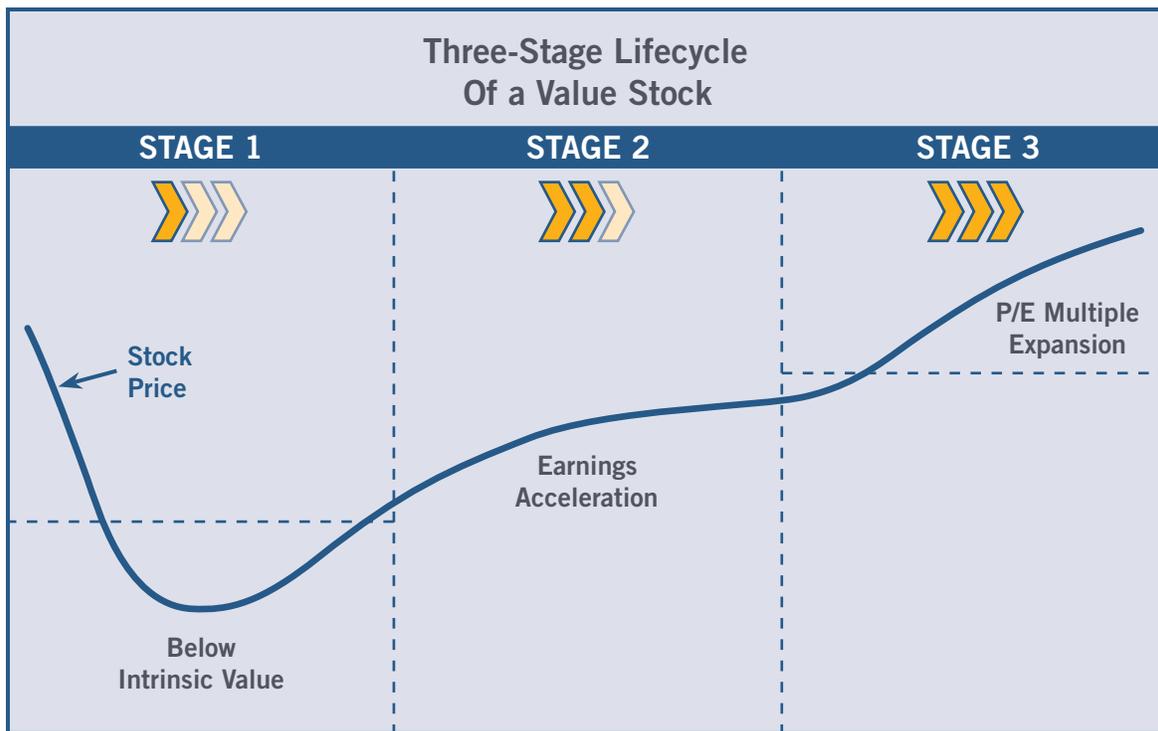
What's it like being a value manager in a growth shop? For Jim Larkins, the Lead Portfolio Manager of the **Wasatch Small Cap Value Fund (WMCVX)**, it's a very natural fit. Indeed, he says the strong growth-oriented research capabilities that Wasatch has developed since the firm's founding in 1975 provide him with significant advantages over many other value managers. The small-cap research team at Wasatch seeks to identify the best growth companies throughout the U.S. and, to a lesser extent, in other countries. Jim is a member of that team. So when stock prices falter due to the volatility inherent in small companies, he is prepared to purchase these same companies as value stocks, often ahead of other portfolio managers. "There's an inefficiency that exists when a growth stock becomes a value stock, and I try to exploit this inefficiency," says Jim.

Jim has been involved with the Wasatch Small Cap Value strategy since before its formal launch as a mutual fund in 1997, having joined the pre-launch investment-management team as a Research Analyst. He became a Portfolio Manager in 1999 and is now one of the longest tenured fund managers at Wasatch. As of March 31, 2014, the Wasatch Small Cap Value Fund had more than \$230 million in assets invested in 60 securities, with about 13% of its holdings based outside the U.S. The Fund's edge over much of its competition, says Jim, is its reliance on an investment-research team that's primarily focused on growth stocks.

LIFECYCLE OF AN INVESTMENT

Jim seeks to exploit this competitive edge throughout what he sees as a three-stage lifecycle of a value stock. In the first stage, he seeks to buy a company at a price below its intrinsic value, which he considers to be its earnings potential. For a company that has experienced a temporary setback, the earnings potential might be defined by the level prior to the setback. In the second and third stages, he seeks to take advantage of earnings acceleration followed by price-to-earnings (P/E) multiple expansion.

Before purchasing a company, Jim looks for metrics that indicate whether the stock is inexpensive relative to where it has been historically. Although potential future earnings are very important, small-cap value companies that have stumbled often have low current earnings. So the current P/E ratio may not be meaningful. Therefore, Jim also looks at the price-to-book value and the EV (enterprise value)-to-sales ratios, which he considers to be more stable measures of worth — with smaller gyrations than seen in earnings. While earnings can be volatile, book value doesn't usually change rapidly. If a company is selling near a five-year low price-to-book value or EV-to-sales ratio, then Jim might consider the market price to be below the company's intrinsic value. Moreover, since the EV-to-sales ratio takes into account the company's debt load, this ratio is also very helpful because it provides a window into the company's balance sheet *and* income statement.



Source: Wasatch Advisors. This is a hypothetical representation of the three-stage lifecycle of a value stock. To value investors, a stock's intrinsic value is what is believed to be its "actual" value, based on examination of the company's fundamentals. There is no guarantee that a value stock's price will increase.

When looking at a potential new company, Jim considers whether or not other investors will find it attractive. That's why he considers earnings power and the company's income statement. If the company recovers and earnings return, growth investors probably won't be far behind, pushing the stock price up. In many cases, Jim looks at companies that have been through the complete Wasatch investment process, including initial research, company visits and purchase of the stock in the Wasatch growth portfolios. If a company falls out of favor because it appears that growth prospects are diminished, the stock may drop into value territory and become an attractive candidate for Jim, as long as he sees the possibility that growth will resume within one to two years.

Jim takes full advantage of the investment experience and proprietary research at Wasatch to identify value prospects. This enables him to buy in the first stage of the lifecycle, just after a company stumbles and many investors are running out the door. Other value managers, relying on routine quantitative screens, may not find these prospects until later in the cycle when the stock price has already begun to rise.

In the second stage of the value-stock lifecycle, earnings acceleration may not begin for several quarters after the initial investment. Jim finds it often takes that long before the fundamentals improve and show up on the

income statement. As earnings come back, the stock price usually advances.

In the third stage of the lifecycle, a value stock may begin to take on the characteristics of a growth stock, experiencing P/E multiple expansion. While many traditional value investors may exit their positions in the early part of the second stage, Jim prefers to hold his companies a bit longer, and potentially capture the full earnings acceleration and the upside as the stocks trade at premium P/E multiples. He credits the entire Wasatch investment team for helping him navigate this third stage.

"There are two things I do that most other value managers don't," says Jim. "One is that I buy broken growth names earlier than others, due to Wasatch's institutional knowledge of many small-cap stocks. The second is that I'm willing to own the companies longer than other value managers. If I've done my job right, I'll capture all three stages of performance in the lifecycle. For shareholders, it's incredibly rewarding to buy a stock that's undervalued, capture the earnings acceleration, and then sell at a premium P/E multiple. I'm not this savvy every time, but the challenge to capture all three stages for shareholders is what really energizes me."

Jim places each of the Small Cap Value Fund's holdings in one of three categories: *Fallen Angels*, *Undiscovered Gems* and *Quality Value Companies*.

FALLEN ANGELS

Usually making up the largest category for new investments, Fallen Angels consist of companies that are generally being purchased below intrinsic value. Typically these are former growth companies that have stumbled — companies that have hit a bump in the road, but are not at the end of the road. These companies have often suffered a sharp price decline that Jim believes to be an overreaction by the market to a negative company event.

Using a process he characterizes as *income-statement oriented*, Jim looks at potential earnings growth as the catalyst that will eventually lead to a recovery. Analyzing the company's income statement, he can determine what the company's earnings have been historically and whether he thinks the company can restore those earnings in a reasonable period of time, usually from one to two years.

CARBO Ceramics, a company Wasatch has tracked during multiple environments spanning over 15 years, is an example of a Fallen Angel. CARBO is a manufacturer of ceramic proppants used in hydraulic fracturing by the oil and gas industry. The company stumbled badly in the last cycle when natural-gas prices fell and the production and recovery of gas dropped precipitously. Caught with a glut of inventory, CARBO's stock declined sharply to the point where it was trading near historical lows in EV-to-sales and price-to-book value ratios. Wasatch's energy research showed that hydraulic fracturing was in a long-term growth trend for oil and gas production and recovery. Jim viewed CARBO as a premium supplier of products that would deliver high returns on investment to energy companies. Rising gas prices and the resumption of production and recovery provided the catalysts necessary to resuscitate CARBO's growth. From Jim's point of view, CARBO was a prime example of a company getting back to where it had been.

UNDISCOVERED GEMS

For new investments, Undiscovered Gems make up the next-largest category, which includes companies with low valuations due to lack of coverage and interest by analysts and investors. These companies are typically what Jim believes to be good growth companies that have been ignored by the market for any number of reasons. Perhaps the companies are too small for analysts and investors to take note. Or the companies may have come through long recoveries during which the earnings have improved, but not the stock prices.

Over a decade ago, Franklin Covey was mostly focused on its Day Planner time-management books and services. At that time, the company was well-known to Wasatch,

which had followed it for several years. Eventually, Franklin began to exit the paper-based Day Planner business and some unsuccessful businesses that had been acquired. Franklin struggled with this transition, which lasted several years, and the company largely disappeared from Wall Street's sights.

Jim, along with other members of the Wasatch investment-research team, took another look at Franklin Covey about two years ago. They discovered a dramatically changed business model, focused on providing the information and tools that allow organizations to invest in their employees to improve performance and productivity, as companies sought to restrain overall headcount and payroll costs. The old Day Planner business has been sold, and in its place is a highly successful training and education business. During the transition, Franklin Covey went from a small-cap to a micro-cap and, Jim says, had a near-death experience. The company spent years in the micro-cap space, making little money and attracting almost no attention while management quietly turned the business around. When Jim and his Wasatch colleagues took another look, they found an Undiscovered Gem.

Together, Fallen Angels and Undiscovered Gems usually account for about 70% to 80% of the Small Cap Value Fund's holdings.

QUALITY VALUE COMPANIES

Quality Value Companies generally comprise the remaining 20% to 30%. These companies usually have been through a sustained turnaround, are experiencing modest growth, or have exposure to deep cyclical or commodity swings. As with Fallen Angels and Undiscovered Gems, Quality Value Companies must have (1) a strong balance sheet or (2) a robust business model. Jim is adamant that companies must possess at least one of these two characteristics. He tries to avoid companies that have both balance-sheet and business-model problems. Quality Value Companies must, he says, have some redeeming characteristics in these areas.

Northwest Pipe is an example of a Quality Value Company held by the Fund. The company makes large-diameter metal pipes for water-distribution systems. Northwest Pipe is now emerging from a long turnaround after its orders bottomed out in 2013. The company suffered through the recession and the early stages of the tepid economic recovery when municipalities cut back on spending. As the economy has continued to improve, however, infrastructure spending has been picking up. Texas, for example, has been experiencing a drought. But the state is growing and has money to spend. So Texas

has the resources to build the necessary water systems, and Northwest Pipe is a go-to supplier.

Summit Hotel Properties, a hospitality REIT (real-estate investment trust), is another example of a Quality Value Company. REITs, by their very nature, are modest-growth companies because they pay out most of their earnings as dividends. As a fairly young public company, Summit has been through rapid transitions — raising capital, buying new properties and selling old ones. Due in part to its short public lifetime and the changes it's been through, the company has lost the attention of Wall Street. At Wasatch, the investment team noticed that REITs had strong performance in 2012 and most of 2013 until interest rates rose and REITs sold off in late 2013 and early 2014. So Jim saw an opportunity to get into an industry in which the Fund was underweighted. Summit has now

repositioned its real-estate portfolio, renovated many of its hotels, sold off underperforming properties and acquired higher-performing ones. As the economy continues to improve, Jim expects to see both higher room prices and occupancy rates, leading to earnings growth and an elevated stock price.

Of the three categories, according to Jim, Undiscovered Gems generally comprise the core, the one that typically generates the best performance. In many cases, Fallen Angels “graduate” to the Undiscovered Gems category if they've been held in the Fund for a year or two and have recovered. Regardless of where they start out, Undiscovered Gems usually experience the most improvement in fundamentals, earnings growth and, eventually, P/E multiple expansion.

Performance aside, Jim generally considers Fallen Angels and Undiscovered Gems to comprise a single large

Wasatch Small Cap Value Fund Top 10 Holdings As of March 31, 2014

Holding	Sector	% of Net Assets
Copart, Inc.	Industrials	3.1%
Ebix, Inc.	Information Technology	3.0%
Polypore International, Inc.	Industrials	2.8%
Saia, Inc.	Industrials	2.3%
CARBO Ceramics, Inc.	Energy	2.3%
Comstock Resources, Inc.	Energy	2.3%
Arbor Realty Trust, Inc.	Financials	2.2%
Franklin Covey Co.	Industrials	2.1%
Skechers U.S.A., Inc., Class A	Consumer Discretionary	2.1%
Customers Bancorp, Inc.	Financials	2.1%
Total		24.3%

Portfolio holdings are subject to change at any time. References to specific securities should not be construed as recommendations by the Fund or its Advisor. Current and future holdings are subject to risk.

category, and he tries to maintain the combination at 70% to 80% of the Small Cap Value Fund's entire portfolio. If that percentage trends down toward 70%, he views it as a sign that the economy is entering into a more mature phase. Fallen Angels and Undiscovered Gems are the companies that Wasatch's growth managers are most

likely to find attractive at some point in the companies' lifecycles. These are companies that have the most in common with other Wasatch portfolios, although the timing of purchases and sales may be quite different.

Regardless of the phase in economic development, Jim views the volatility inherent in small-cap investing as a

“perpetual-motion machine” with good companies continually stumbling and falling into one of his three categories.

DEVELOPMENT OF THE PHILOSOPHY AND PROCESS

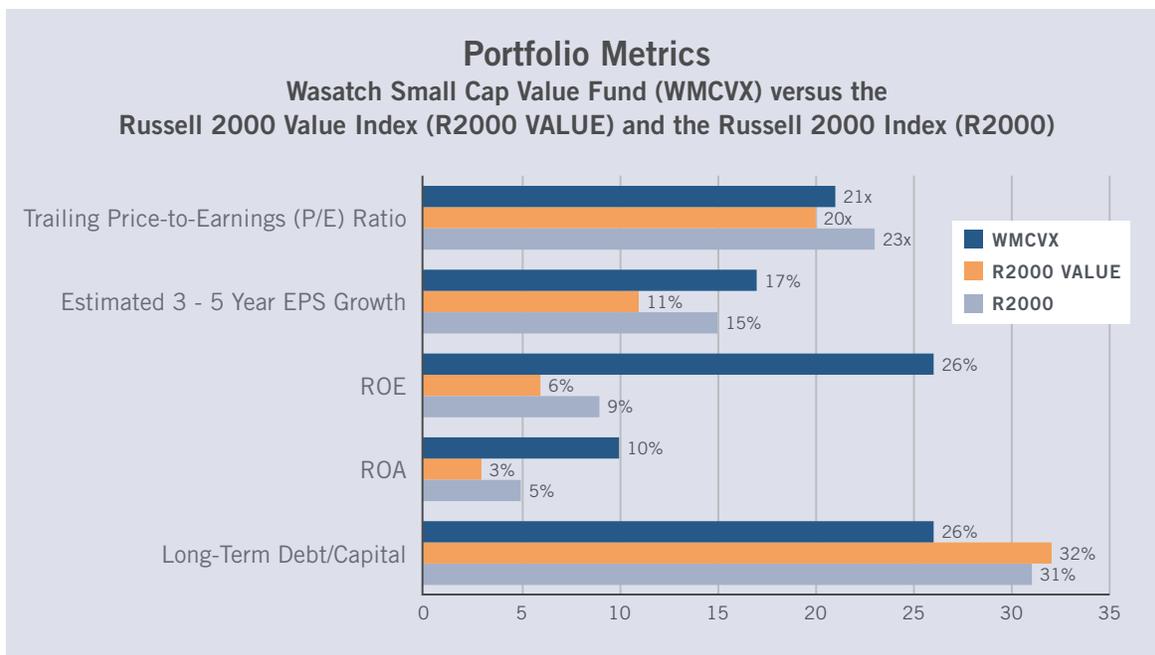
The investment philosophy and process of the Wasatch Small Cap Value Fund grew out of a challenge inherent in growth-stock investing. The Wasatch growth managers have a captured-earnings philosophy, meaning that they are typically trying to capture 15% or better earnings growth at most times in the companies’ lifecycles. Particularly with small companies, which are inherently volatile, this quest for consistent growth can sometimes be elusive. Small companies are often younger. They could have less stable revenue bases. And their product lines might be narrower. All of these characteristics set small companies up for periods in which earnings will be volatile.

For a growth portfolio manager trying to maintain a high overall earnings-growth rate, it can be a problem when a company stumbles. If the portfolio holds too many companies with declining earnings, the portfolio won’t meet its growth target. A value portfolio, however, might be the ideal place for some of the companies that no longer meet the qualifications for a growth portfolio. In 1997, the Wasatch team decided to exploit this opportunity in the market and create the firm’s first value fund.

Of his own involvement in the Small Cap Value Fund’s launch, Jim says, “Honestly, Wasatch had been having a hard time fitting me into a growth team. I was more

attracted to contrarian ideas.” At the time, Jim had been researching a semiconductor company, which was owned in several Wasatch portfolios. One day in the mid-1990s, he recalls, the company had a big blowup. But rather than dump the stock, Wasatch Portfolio Manager and CEO Jeff Cardon bought more. “And I thought, yes, that’s how you’re supposed to respond,” says Jim, who adds that the stock eventually went on to rise by many times Jeff’s purchase price. Later, in 1997, Jim was tapped to work on the new Wasatch Small Cap Value Fund as a Research Analyst. He became a Portfolio Manager two years later, worked with a co-manager for several years, and became the sole Portfolio Manager in 2008.

The Fund was created so Wasatch could own companies with attractive long-run growth stories that had temporary earnings issues. These were companies that might not fit in Wasatch’s growth portfolios. In addition, Jim found there were companies whose stocks were unjustly oversold because momentum investors were fleeing. In hot growth areas, it isn’t unusual to see momentum investors pile in, push stock prices up, and then rapidly head for the exit on a small or short-term disappointment. Indeed, Jim notes that momentum investors fled many high-tech small caps during the second quarter of 2014. While the large-company indices were relatively stable, the small-cap indices with significant technology weightings suffered sharp pullbacks. Prior to the second quarter of 2014, Jim saw valuations climbing higher and higher. But as prices declined in the second quarter, he took note



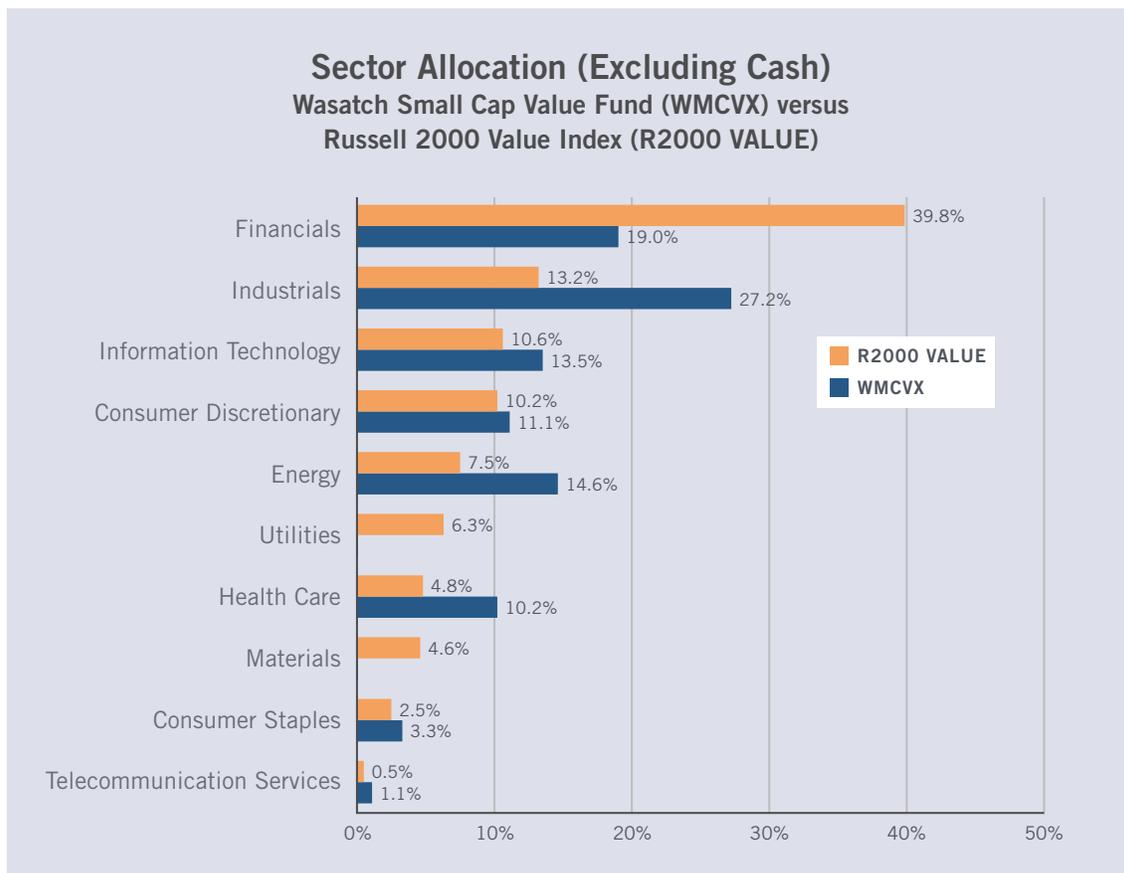
Sources: FactSet, Russell and Wasatch Advisors, as of March 31, 2014. Past performance is not indicative of future results. Portfolio metrics are subject to change.

of stocks that had descended to lower valuations. For example, he added to his small position in Interactive Intelligence, a provider of call-center technology, that had peaked at more than \$80 per share in March of 2014 and was below \$50 just two months later.

In the downturn during the second quarter of 2014, Jim believes he had an advantage over other value investors due to the fact that the Wasatch investment team has been tracking Interactive Intelligence for years. The company's strengths have long been well-known to the team, and the company's stumble was immediately noted, enabling Jim to act quickly. For value investors dependent on quantitative screens, recognizing an opportunity like this could

take months. "My Wasatch colleagues and I have been researching small-cap growth companies for decades," Jim says. "We've already done the work. We've even visited many of them, or had their management teams in our office. But most value managers probably haven't found these companies yet. The companies haven't hit the quantitative value screens. And the value managers haven't been doing the work to understand these companies. So I believe I have an informational edge versus the traditional value managers."

Another point of differentiation the Wasatch Small Cap Value Fund has versus its peers is that the Fund appears to have more growth-like characteristics. The first reason



Sources: Wasatch Funds and FactSet, as of March 31, 2014. Current and future holdings are subject to risk and may change at any time.

is that many of the companies in the Fund were growth stocks historically. But the Fund had the opportunity to buy them at value prices. Second, because the Fund tends to hold its positions longer than other value portfolios, a company often will have retaken its growth characteristics by the time the Fund exits the position. And third, the Fund generally seeks higher-quality stocks with better balance sheets and business models than many other value portfolios. These three factors combined give the

Wasatch Small Cap Value Fund a somewhat "growthier" feel than its competitors. But the quality orientation of the Fund's investments appears to have helped temper the downside volatility the broader market experienced in the second quarter of 2014.

SECTOR AND INDUSTRY WEIGHTINGS

The Fund is often overweighted in industrials such as distribution and transportation companies, where Jim

has identified management teams that can execute well in a slower-growth environment. Health care is another sector in which the Fund is typically overweighted, based on the proprietary research and investment experience of Wasatch overall. Many of the Fund's Fallen Angels are found in the business-services industry, which is also overweighted. In addition, the Fund is overweighted in energy, with several natural-gas-related investments.

The Small Cap Value Fund usually has little exposure to utilities, which do not lend themselves to the Fallen Angel or Undiscovered Gem approach. Similarly, the Fund is underweighted in materials and heavily cyclical companies. Historically, the Fund also has been underweighted in financials, including banks and REITs. Financials comprise nearly 40% of the Russell 2000 Value Index, a reflection of the fragmented U.S. banking system, which includes an enormous number of small banks. Jim finds banking to be a very competitive industry with few barriers to entry and low overall growth — all of which are characteristics he deems unattractive as an investor.

ON THE LOOKOUT FOR OPPORTUNITIES AND PITFALLS

One of the key questions confronting Jim as a value manager is how, when looking for attractive prospects among stocks that have stumbled, to avoid investing in companies that have declined because, in fact, they have

truly poor prospects. To begin, Jim stresses that he seeks to buy stocks at historically low valuations. He generally feels comfortable buying a stock at a five-year low valuation based on price-to-book value or EV-to-sales ratios. Conversely, when those same ratios are at historical highs, he will consider selling. Additionally, as noted earlier, he avoids companies that have both balance-sheet and business-model challenges to overcome.

Another consideration that Jim takes into account is competition. If a company is confronted with exceptionally strong competition, what he calls “hyper-competition,” he will avoid the company. When a stock is down because of hyper-competition, he says, that’s something even the best management team may not be able to overcome. He cites for-profit education as an example of an industry that’s much too competitive to be of interest. And although he owns some retailing companies, he is very cautious today versus just a few years ago when he generally would have been overweighted in the industry. Because of the Internet and the decline of mall traffic, he believes retailing has become a very difficult area for value investors.

When buying a new company with both quality and value characteristics, Jim typically starts with a 1% position and usually attempts to get to 2% as quickly as possible, hopefully before the price moves up. As the stock price appreciates, he may trim the position to keep it

Average Annual Total Returns					
For Periods Ended March 31, 2014					
	1 Year	3 Years	5 Years	10 Years	Since Inception 12/17/1997
Wasatch Small Cap Value Fund— Investor Class	31.15%	14.11%	27.27%	7.65%	12.89%
Russell 2000® Value Index	22.65%	12.74%	23.33%	8.07%	8.84%
Russell 2000® Index	24.90%	13.18%	24.31%	8.53%	7.82%

Source: Wasatch Funds.

Data shows past performance. Past performance is not indicative of future performance, and current performance may be lower or higher than the performance quoted. For the most recent month-end performance data, visit www.WasatchFunds.com. Investment returns and principal value will fluctuate; and shares, when redeemed, may be worth more or less than their original cost. The Advisor may absorb certain Fund expenses, leading to higher shareholder returns. Total Expense Ratio—Investor Class 1.27%. The Advisor has contractually agreed to limit expenses to 1.50% through at least January 31, 2016.

Wasatch Funds will deduct a 2.00% redemption proceeds fee on Fund shares held 60 days or less. Performance data does not reflect the deduction of fees, including sales charges, or the taxes you would pay on fund distributions or the redemption of fund shares. These fees and taxes, if reflected, would reduce the performance quoted. Wasatch does not charge any sales fees. For more complete information, including charges, risks and expenses, read the prospectus carefully.

below a typical 3% to 5% maximum. When selling, he generally works the same process in reverse, scaling back to about 1% before exiting the position entirely.

As for being a value manager in a growth shop, Jim says it gives him the freedom to buy great growth companies when they're down and the freedom to own them long enough to more fully harvest the potential gains. "The type of portfolio I manage should have wide appeal," he says. "Many people want to own growth stocks, they just don't want to overpay for them. And that's what I try to offer."

ABOUT THE PORTFOLIO MANAGER



Jim Larkins
Lead Portfolio
Manager

Jim Larkins has been the Lead Portfolio Manager for the Wasatch Small Cap Value Fund since 1999. He joined Wasatch Advisors as a Research Analyst in 1995, working on the Micro Cap and Small Cap Growth Funds. He became a Research Analyst on the Small Cap Value Fund at its inception in 1997, and was named as

a Portfolio Manager in 1999.

Prior to joining Wasatch Advisors, Mr. Larkins worked as a systems consultant for what is now Accenture. He also worked for a start-up company in the technology industry.

Mr. Larkins graduated cum laude with a Bachelor of Arts in Economics from Brigham Young University. He later earned a Master of Business Administration from the Marriott School of Management at BYU. While in the Master's program, he served as president of the MBA Student Association.

Jim is a Utah native. He speaks Spanish and has lived in Argentina and the Middle East. He enjoys water skiing, snow skiing, gardening and traveling.

ABOUT WASATCH ADVISORS

Wasatch Advisors is the investment manager to Wasatch Funds,® a family of no-load mutual funds, as well as to separately managed institutional and individual portfolios. Wasatch Advisors pursues a disciplined approach to investing, focused on bottom-up, fundamental analysis to develop a deep understanding of the investment potential of individual companies. In making investment decisions, the portfolio managers employ a uniquely collaborative process to leverage the knowledge and skill of the entire Wasatch Advisors research team.

Wasatch Advisors is an employee-owned investment advisor founded in 1975 and headquartered in Salt Lake City, Utah. The firm had \$19.4 billion in assets under management as of March 31, 2014. Wasatch Advisors, Inc. is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

Wasatch Contacts

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RISKS AND DISCLOSURES

Investing in small cap funds will be more volatile and loss of principal could be greater than investing in large cap or more diversified funds. Investments in value stocks can perform differently from the market as a whole and from other types of stocks and can continue to be undervalued by the market for long periods of time. Investing in foreign securities, especially in emerging markets, entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus. There is no assurance that the investment process will consistently lead to successful investing.

An investor should consider investment objectives, risks, charges, and expenses carefully before investing. To obtain a prospectus, containing this and other information, visit www.WasatchFunds.com or call 800.551.1700. Please read it carefully before investing.

Information in this document regarding market or economic trends or the factors influencing historical or future performance reflects the opinions of management as of the date of this document. These statements should not be relied upon for any other purpose. Past performance is no guarantee of future results, and there is no guarantee that the market forecasts discussed will be realized.

The Wasatch Small Cap Value Fund's investment objective is long-term growth of capital. Income is a secondary objective, but only when consistent with long-term growth of capital.

As of March 31, 2014, the Wasatch Small Cap Value Fund held 2.3% of net assets in CARBO Ceramics, Inc., 2.1% of net assets in Franklin Covey Co., 1.8% of net assets in Summit Hotel Properties, Inc. and 1.1% of net assets in Interactive Intelligence Group, Inc.

As of March 31, 2014, the Wasatch Small Cap Value Fund did not hold Northwest Pipe Co.

Portfolio holdings are subject to change at any time. References to specific securities should not be construed as recommendations by the Funds or their Advisor. Current and future holdings are subject to risk.

ALPS Distributors, Inc. is not affiliated with Wasatch Advisors.

DEFINITIONS

Earnings growth is a measure of growth in a company's net income over a specific period, often one year.

Earnings-per-share or EPS is the portion of a company's profit allocated to each outstanding share of common stock. EPS growth rates help investors identify companies that are increasing or decreasing in profitability.

Enterprise value (EV) is a measure of a company's value calculated as market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents. The **EV (enterprise value)-to-sales ratio** is enterprise value, as defined above, divided by annual sales. Each ratio is a measure of a company's expensiveness.

Intrinsic value or intrinsic worth is the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, taking into account tangible and intangible factors. This value may or may not be the same as the current market value. Value investors use a variety of analytical techniques in order to estimate the intrinsic value of securities in hopes of finding investments where the true value of the investment exceeds its current market value.

Long-term debt to capital is a company's debt as a percentage of its total capital. Debt includes all short-term and long-term obligations. Total capital includes the company's debt and shareholders' equity, which includes common stock, preferred stock, minority interest and net debt.

The **price-to-book value ratio** is used to compare a company's book value to its current market price.

The **price-to-earnings (P/E) multiple**, also known as the P/E ratio, is the price of a stock divided by its earnings per share.

Return on assets (ROA) measures a company's profitability by showing how many dollars of earnings a company derives from each dollar of assets it controls.

Return on equity (ROE) measures a company's efficiency at generating profits from shareholders' equity.

Valuation is the process of determining the current worth of an asset or company.

The **Russell 2000 Value Index** measures the performance of Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. The **Russell 2000 Index** is an unmanaged total return index of the smallest 2,000 companies in the Russell 3000 Index, as ranked by total market capitalization. The **Russell 3000 Index** is an unmanaged total return index of the largest 3,000 U.S. companies based on total market capitalization. The Russell 2000 Index is widely used in the industry to measure the performance of small company stocks.

You cannot invest directly in these or any indices.