

# Wasatch Emerging Markets Small Cap Fund™

(WAEMX) Closed to new investors. Open to existing shareholders and intermediaries with an established position.

December 31, 2014



The Wasatch Emerging Markets Small Cap Fund is one of few emerging markets funds uniquely focused on smaller companies.

## About The Fund

**Inception** October 01, 2007

**Objective** Long-term growth of capital

- Core Beliefs**
- Earnings drive stock prices
  - Small companies can grow faster than large ones
  - We can find small undiscovered emerging market companies with excellent earnings growth
  - Patience and discipline lead to smart long-term investments

- Research Tenets**
- Leverage the firm's thorough, collaborative and disciplined research process
  - Find the World's Best Growth Companies™ within emerging markets, specifically:
    - high-quality companies with strong financials
    - emerging leaders with a sustainable competitive advantage
    - a proven management team
    - earnings growth greater than the relevant sector or industry

**Compared to Other Wasatch Funds** Our emerging markets fund focused on small companies

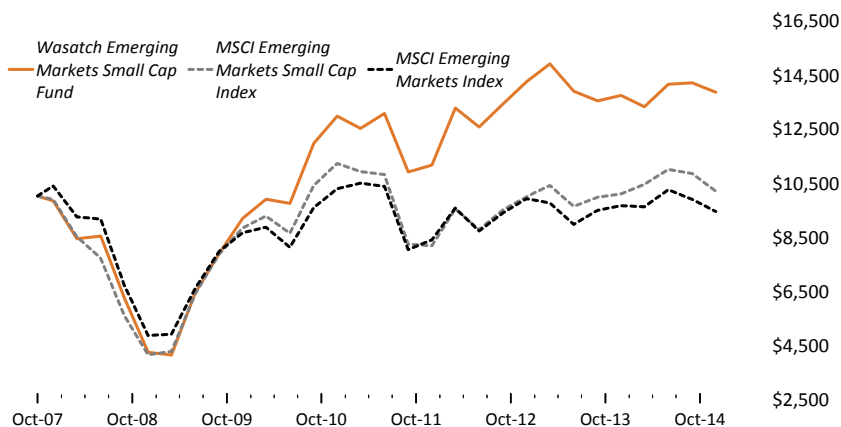
**Total Fund Assets** \$1.3 Billion

**Total Expense Ratio** Gross 2.02% / Net of reimbursement by the Advisor 1.95%

**Cusip** 936793884

## Growth of a Hypothetical \$10,000 Investment

10/1/07 through 12/31/14



## About The Fund Managers

The Wasatch Emerging Markets Small Cap Fund is managed by a team of Portfolio Managers led by Roger Edgley, Andrey Kutuzov, and Scott Thomas.



**Roger D. Edgley, CFA**  
Director of International Research  
Portfolio Manager

Mr. Edgley is Director of International Research and the Lead Portfolio Manager for the Wasatch International Growth, Emerging Markets Small Cap, and Emerging Markets Select funds. A native of the United Kingdom, he has over 20 years of international investing experience.

Prior to joining Wasatch in 2002, he was a principal and director of international research for Liberty Wanger Asset Management (Acorn Funds).



**Andrey Kutuzov, CFA**  
Associate Portfolio Manager

Mr. Kutuzov has been an Associate Portfolio Manager for the Fund since 2014. He joined Wasatch Advisors in 2008 as a Senior Equities Analyst on the international research team.

Prior joining Wasatch, Mr. Kutuzov worked as a senior auditor at Deloitte, designing, performing, and supervising financial and internal control audits of commercial banks and investment companies.



**Scott Thomas, CFA, CPA**  
Associate Portfolio Manager

Mr. Thomas has been an Associate Portfolio Manager for the Wasatch Emerging Markets Small Cap Fund since 2015. He joined Wasatch in 2012 as a Senior Equities Analyst on the international research team.

Prior to joining Wasatch, Mr. Thomas worked as a vice president at Morgan Stanley & Co in New York City. Prior to Morgan Stanley & Co., he worked at KPMG LLP in San Francisco and New York.

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## Average Annual Total Returns

Through 12/31/2014

	1 Year	5 Years	Since Inception*
<b>Wasatch Emerging Markets Small Cap Fund</b>	0.89%	8.58%	4.59%
<b>MSCI Emerging Markets Small Cap Index</b>	1.01%	2.93%	0.24%
<b>MSCI Emerging Markets Index</b>	-2.19%	1.78%	-0.81%

\***Inception: 10/1/07.** Data shows past performance. Past performance is not indicative of future performance and current performance may be lower or higher than the data quoted. For the most recent month-end performance data, visit [www.WasatchFunds.com](http://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 total shareholder returns. **Total Expense Ratio: Gross 2.02%; Net 1.95%**

Wasatch Funds will deduct a 2.00% redemption fee on Fund shares held 60 days or less. Performance data does not reflect this redemption fee or taxes.

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. 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.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, visit [www.wasatchfunds.com](http://www.wasatchfunds.com) or call 800.551.1700. Please read the prospectus carefully before investing.

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 Emerging Markets and Emerging Markets Small Cap Indices are free float-adjusted market capitalization indices that are designed to measure the equity market performance of emerging markets. You cannot invest directly in these or any indices.

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## Portfolio Characteristics

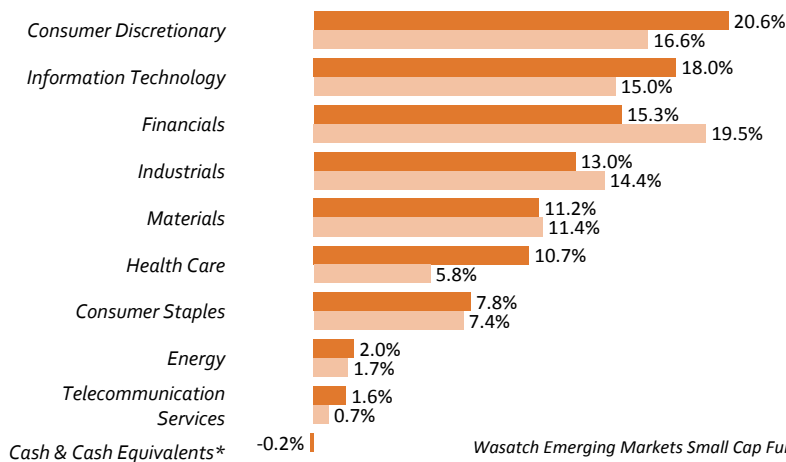
	Wasatch Emerging Markets Small Cap Fund	MSCI Emerging Markets Small Cap Index	MSCI Emerging Markets Index
Est. 5-year EPS Growth %	23.5	17.2	13.8
Forward 12-month P/E Ratio	23.3	11.7	10.9
P/E to Growth Rate	1.0	0.7	0.8
Median Market Cap	\$1.62b	\$557m	\$5.41b
Weighted Average Market Cap	\$2.14b	\$1.00b	\$44.42b
Number of Holdings	108	1,803	834
Portfolio Turnover	54%	n/a	n/a
Alpha (since inception)	4.15	n/a	n/a
Beta (since inception)	0.90	n/a	n/a
R-Squared (since inception)	0.92	n/a	n/a

## Top 10 Equity Holdings

As of 12/31/14	% of Fund
Pidilite Industries Ltd. (India) Diversified Chemicals	2.4
D&L Industries, Inc. (Philippines) Specialty Chemicals	1.9
Shriram City Union Finance Ltd. (India) Consumer Finance	1.9
Bayer CropScience Ltd. (India) Fertilizers & Agricultural Chemicals	1.8
Security Bank Corp. (Philippines) Diversified Banks	1.8
Hermes Microvision, Inc. (Taiwan) Semiconductor Equipment	1.8
Mahindra & Mahindra Financial Services Ltd. (India) Consumer Finance	1.8
Mindtree Ltd. (India) IT Consulting & Other Services	1.7
International Container Terminal Services, Inc. (Philippines) Marine Ports & Services	1.7
Parque Arauco S.A. (Chile) Real Estate Operating Companies	1.7
<b>Total</b>	<b>18.5</b>

## Sector Allocation

\*Also includes Other Assets and Liabilities.



## Region/Country Allocation of Equities

Region	Wasatch Emerging Markets Small Cap Fund	MSCI Emerging Markets Small Cap Index	Country	Wasatch Emerging Markets Small Cap Fund	MSCI Emerging Markets Small Cap Index
Asia	76.1%	77.4%	India	19.6%	9.3%
South America	12.3%	6.1%	Taiwan	19.5%	18.5%
North America	5.0%	2.7%	Korea	12.7%	15.9%
East Europe	2.7%	3.7%	Philippines	9.3%	1.7%
Africa	2.0%	8.3%	Brazil	5.5%	4.5%
Middle East	1.9%	1.3%	Thailand	5.3%	3.9%
West Europe		0.6%	Mexico	5.0%	2.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Other</b>	<b>23.1%</b>	<b>43.5%</b>
Excludes cash and cash equivalents, written options, and short sells.			<b>Total</b>	<b>100%</b>	<b>100%</b>



### Contact

Tim Bryan • tim@wasatchfunds.com  
 Ryan Ren • rren@wasatchfunds.com  
 Brandon Fries • brandon@wasatchfunds.com  
 Phone • 800.381.1065

### Retirement Plan Solutions Contact

Dustin McCarty • dmccarty@wasatchadvisors.com  
 Phone • 801.533.0777

### Institutional Clients Contact

Eric Bergeson • eric@wasatchadvisors.com  
 Dustin McCarty • dmccarty@wasatchadvisors.com  
 Phone • 801.533.0777

www.WasatchFunds.com

**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. These returns are not guaranteed and may be higher or lower. Source: Wasatch and FactSet. **Forward 12-mo. P/E Ratio:** The sum of the 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. **Forward P/E to Growth Rate:** The forward 12-month P/E ratio divided by the estimated 5-year EPS growth rate. Portfolios with a number less than 1.0 would be considered undervalued, around 1.0 would be considered fair valued and significantly greater than 1.0 would be considered overvalued. **Weighted Average Market Cap:** The average market capitalization of companies held by the fund, weighted in proportion to their percentage of net assets in the fund. **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 1.00) how closely a fund's movements are correlated with movements of its benchmark. An R-squared of 1.00 would mean that the fund's movements are completely correlated with the movements of its benchmark.

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