

## Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **October** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Wasatch	-1.62%	9.33%	-	-	-
MSCI EM	-4.45%	3.58%	-	-	-

### Country Allocation Comparison

<u>Over-weight</u>	<u>Wasatch</u>	<u>EM</u>	<u>Under-weight</u>	<u>Wasatch</u>	<u>EM</u>
India	31.77%	18.84%	China	10.04%	27.38%
United States	12.13%	0.00%	South Korea	2.27%	10.17%
Brazil	11.07%	4.81%	Saudi Arabia	0.00%	3.90%

### Performance Attribution & Strategy Comments

During October, the benchmark MSCI Emerging Markets Index slipped -4.45% as stock-market pullbacks in key countries offset gains in Taiwan. China's rally faltered as investors awaited details of the government's plans for additional fiscal stimulus. In India, stocks lost ground after substantial gains in recent months. For the month, the Wasatch Emerging Markets Select strategy lost ground but outperformed the benchmark.

Stock selection within China and Brazil were the largest contributors to performance relative to the benchmark. Conversely, stock selection in Taiwan detracted from relative performance.

At the individual stock level, Nu Holdings Ltd. was the largest contributor to the strategy's performance. Nu operates Latin America's largest fintech bank. The company is rapidly gaining customers as it expands into countries outside Brazil and develops new lines of business.

Divi's Laboratories Ltd. was another top contributor to strategy performance. An India-based custom manufacturer for the pharmaceutical industry, Divi's continues to capitalize on new opportunities in the pharmaceuticals space.

The greatest detractor from performance was Bajaj Finance Ltd. Shares of the Indian non-bank lender declined in October as the company reported modestly higher credit costs. However, we believe overall fundamentals remain healthy with loan growth still robust at 29% year over year.

AU Small Finance Bank Ltd. also detracted. AU primarily targets unbanked and underbanked low- and middle-income borrowers in India. Although net profit grew a better-than-expected 42% in AU's most-recent quarter, non-performing assets also increased. We believe credit costs in India are normalizing from low levels but remain constructive on the long-term prospects for the company.

### Manager Style Summary

Wasatch believes that long-term stock prices are driven by earnings growth. The market's short-term bias presents opportunities to purchase high-quality businesses at a discount to their long-term value. They are patient investors in exceptional companies that can compound earnings over time. The Wasatch Emerging Markets Select strategy is a concentrated, yet diversified growth portfolio of high-quality companies. They use a team based, bottom-up, systematic, approach that seeks to identify companies with outstanding long-term growth potential. Attributes of typical investments include high returns on capital, exceptional management teams, sustainable competitive advantages, and reasonable valuations.

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### Portfolio Guideline Compliance

Portfolio Guideline:	Index	Wasatch	Calc	Min	Max	Compliance
Security position <= 10% of the account @ purchase						Yes
Number of issues		33		20	50	ok
Investments in a single sector will not exceed more than 50% of the portfolio value						Yes
Investments in a single country will not exceed more than 50% of the portfolio value						Yes
Normal Regional Exposures (* benchmark +/- min/max):						
Emerging Markets	99%	78%		60%	100%	ok
Other	1%	22%		0%	40%	ok
Total		100%				
Normal Global Portfolio Characteristics (Relative to the Index)						
Price/Earnings (fwd)	12.0	28.6	238%	50%	NA	ok
ROE	15.9	23.0	145%	50%	NA	ok
3-5 Yr.Est. Growth	16.5	30.2	183%	50%	NA	ok
No derivatives, short sales, commodities, margin or currency hedging						Yes
Annual turnover		168%		10%	60%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

F3. Annual Turnover: Portfolio in-kind transfer of an ETF. Strategy turnover = 34%.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 29,362

### Organizational/Personnel Changes

None

### Account Turnover

Gained: Number of Accounts: 2\* Total Market Value (\$m): \$ 44.4  
Lost: Number of Accounts: 1\* Total Market Value (\$m): \$ 259.4  
Reason(s): Restructure, moving from SMA to mutual fund investment. \* excludes accounts gained through pooled vehicles such as mutual funds, CITs, LP, etc.