WASATCH GLOBAL INVESTORS

Quarterly Commentary

Investor WAGOX / Institutional WIGOX

Wasatch Global Opportunities Fund

SEPTEMBER 30, 2020

Many Tech Companies Have Benefited During The Pandemic

OVERVIEW

The Wasatch Global Opportunities Fund—Investor Class gained 11.05% in the third quarter and outperformed its benchmark, the MSCI AC (All Country) World Small Cap Index, which gained 7.92%. Year-to-date through September 30, 2020, the Fund gained 12.00% and outperformed the benchmark's -5.94% decline.

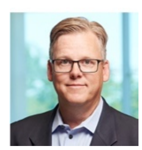
For the third quarter, the broad U.S. market produced a strong return even though the coronavirus pandemic continued to impact the economy. While U.S. companies have been fairly resilient, no reasonable analyst would minimize the effects on stock prices from support by government fiscal initiatives and Federal Reserve monetary policies. Beyond outright securities purchases and lending backstops, the Fed recently announced plans to keep interest rates extremely low for at least the next few years and to promote higher employment and inflation. In addition, the Fed stepped outside its monetary mandate by publicly encouraging Congress to do even more on the fiscal front to assist individuals and businesses facing continued hardship.

FUND MANAGERS

JB Taylor
Lead Portfolio Manager
9 YEARS ON FUND / 24 YEARS AT WASATCH

Ajay Krishnan, CFA
Lead Portfolio Manager
8 YEARS ON FUND / 26 YEARS AT WASATCH

Ken Applegate, CFA, CMT
Portfolio Manager
1 YEAR ON FUND / 6 YEARS AT WASATCH



Paul Lambert
Portfolio Manager
1 YEAR ON FUND / 20 YEARS AT WASATCH

Data show past performance and is not indicative of future performance. Current performance may be lower or higher than the data quoted. For the most recent month-end performance data, visit wasatchglobal.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 expenses, leading to higher total shareholder returns. Wasatch Funds will deduct a 2% redemption fee on Fund shares held 60 days or less. Performance data does not reflect this redemption fee or taxes. ***Total Expense Ratio: Investor Class 1.56% / Institutional Class—Gross: 1.57%, Net: 1.36%. The Advisor has contractually agreed to limit certain expenses to 1.75% for the Investor Class and 1.35% for the Institutional Class through at least 1/31/2021.***

During the quarter, we were disappointed by the announcement that Japanese Prime Minister Shinzo Abe would be resigning due to lingering health issues. From a market standpoint, we believe Abe's legacy—which includes the implementation of numerous shareholder-friendly reforms under "Abenomics"—will be a positive one.

In September, new Japanese Prime Minister Yoshihide Suga was sworn in and, having served as one of Abe's closest advisors, is widely expected to continue a similar policy agenda that we believe should continue to support a fertile investment environment for the many exciting small companies we have been able to find in Japan.

Despite the sudden transition to a new prime minister, the continued effects from the pandemic and an ongoing trade war, Japan's small-cap market made a strong showing in the third quarter. The Fund's Japanese holdings contributed significantly to our quarterly return—second only to the Fund's U.S. holdings—and we outperformed the benchmark's position in Japan aided by stock selection.

Our top contributor from Japan was an information-technology (IT) company. **Systena Corp.** is a developer of firmware and software for mobile and internet applications. We believe Systena is an excellent company with a thoughtful, well-defined strategy supported by a strong balance sheet. The company's offerings are playing a supportive role in a number of areas—including 5G deployment, digital payment platforms and value-added services—that have enjoyed recent market tailwinds. Systena beat earnings estimates in its most recent financial report, and its stock produced a strong gain during the quarter.

THE WASATCH PERSPECTIVE ON TECHNOLOGY

Because IT is the Fund's largest sector weighting—and because our tech and tech-related returns have been so robust for extended periods—we're offering our perspective on the sector and the types of names we hold.

Notwithstanding a temporary pullback during September, IT stocks have continued their strong performance as many tech companies have actually benefited from the pandemic. Tech companies have been the leaders in replacing face-to-face activities with online, virtual alternatives. Additionally, many technology-enabled services have become increasingly important in delivering goods and services during the pandemic. What's more, we don't think these trends will necessarily reverse after the pandemic ends because people have become used to new ways of living and working.

While the Global Opportunities Fund is significantly overweight in IT relative to the benchmark, we're very particular about the specific tech and tech-related names we own. First, we invest in companies that we consider to be high quality with excellent management teams, innovative business models and expanding markets. Second, we tend to avoid the really expensive companies that in our opinion are selling at excessive price-to-sales ratios. This means the Fund may lag some more aggressive portfolios during exceptionally strong upward moves in the market but may also hold up better during major downdrafts. Third, we try to own a balance of some especially fast growers that have been firing on all cylinders and some more moderately priced companies.

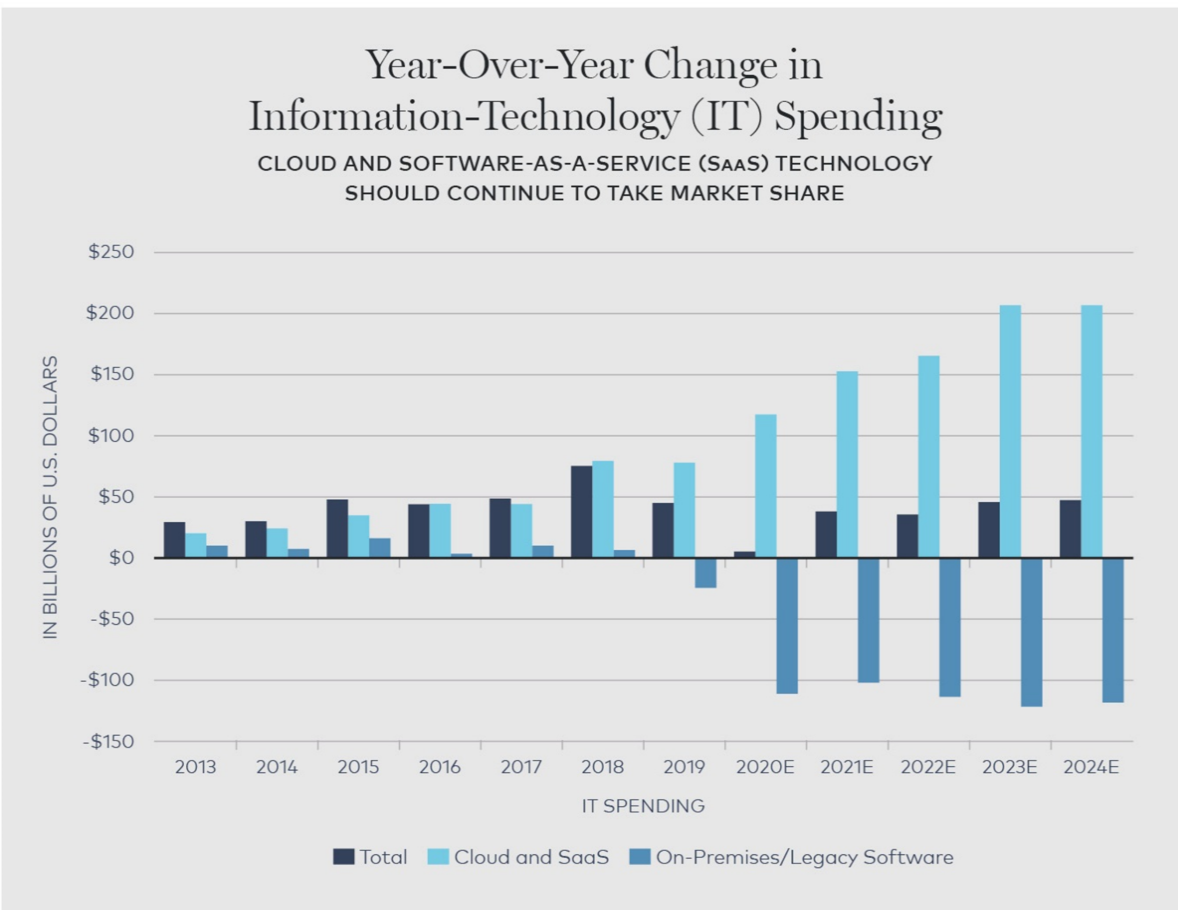
The reason we own a balance of companies is that the especially fast growers may be well-positioned for the current environment but may be trading at somewhat expensive valuations. And the more moderately priced companies may be having some challenges at the present time but may be poised to see accelerating growth if the environment changes. By owning a balance, we're positioned for the possibilities of a new environment and a general reset in valuations.

To understand why we're so optimistic regarding growth-oriented companies, and tech companies in particular, please refer to the figure below. The figure shows the year-over-year change in information-technology (IT) spending—which is broken down by cloud and Software-as-a-Service (SaaS) spending, on-premises/legacy software spending and total spending.

What you can see from the figure is that total spending has been increasing each year. But cloud and SaaS spending has been increasing at a phenomenal rate, while on-premises/legacy software spending has started to fall dramatically. The coronavirus pandemic and the recession have only accelerated these trends because fewer people are working in the office and companies are looking to save money. The cloud and SaaS are major enablers of remote work and alternative forms of communication and data delivery. Additionally, cloud and SaaS applications should be more cost-effective over the long term.

DETAILS OF THE QUARTER

India, our most overweight country relative to the benchmark, added to the Fund's return. Although the performance of our holdings lagged that of the benchmark's Indian holdings, performance relative to the benchmark was helped



Sources: IDC, Bernstein and Wasatch estimates. As of September 30, 2020. Year-over-year change in IT spending is estimated for years 2020 through 2024.

by our overweight position. Indian financials, in particular, have faced challenges in recent months. In addition to their stocks selling off early in the pandemic, financial institutions have also reckoned with stringent economic measures from the government in response to the crisis. In light of this, we were pleased to see a positive month from our Indian holdings and believe they may benefit from pent-up demand moving forward.

AU Small Finance Bank Ltd. was a significant contributor to Fund performance. Based in India, AU primarily serves underbanked low- and middle-income individuals and small businesses. After a downturn in August that followed a rally from mid-May through the end of July, AU's stock was up in September and finished the quarter with a double-digit positive return. We believe the bank is moving in the right direction through improving credit quality, cost controls and net interest margins. In light of these trends, we continue to believe AU has a convincing growth narrative ahead of it.

Two U.S. health-care companies—Ensign Group, Inc. (ENSG) and Pennant Group, Inc. (PNTG)—were among the strong contributors to Fund performance. Pennant was previously a part of Ensign before spinning off into its own operation. Both companies offer senior-care services, with Ensign specializing in assisted-living communities and Pennant focusing on in-home care, including rehabilitative and hospice care. In addition to the secular trend favoring health-care stocks broadly, both companies are benefiting from the Department of Health and Human Services' Provider Relief Fund—which is intended to assist health-care facilities hardest hit by Covid-19.

HubSpot, Inc. (HUBS) was the Fund's second-best contributor for the quarter, as the stock continued to enjoy strong performance that began in early April. The company is a software developer that offers tools for customer-relationship management, social-media marketing, content management, analytics and other fundamental organizational needs. Like many other IT companies, the value of HubSpot's offerings has been highlighted by the current environment—which remains dominated by stay-at-home orders and remote-work arrangements even as economies begin to reopen.

While IT was the largest contributor to Fund performance and we outperformed the benchmark in the sector, not all of our IT holdings contributed. The Fund's largest individual detractor was Silergy Corp., a Taiwanese manufacturer of high-performance mixed-signal and analog integrated circuits used in a wide variety of consumer and enterprise electronic devices. The company was the Fund's top contributor in the second quarter and its stock pulled back in the most-recent quarter. Although we are keeping an eye on the company's valuation, we believe Silergy still has plenty of upside potential.

Another detractor from Fund performance for the third quarter was Monro, Inc. (MNRO), a leading chain of automotive-repair shops with more than 1,280 locations spread across 32 states. The company has certainly been impacted in the short term by stay-at-home orders and decreased travel. Also, Monro's CEO recently resigned to become the CEO of a larger company. Board Chairman Robert Mellor has been appointed interim CEO, and the search for a successor has been initiated. We spoke to Mr. Mellor recently and feel comfortable that a sound, long-term business plan remains in place for the company. Given an already-impressive footprint, we believe Monro still has significant headroom for growth over the next few years despite the company's short-term challenges.

HealthEquity, Inc. (HQY) also saw its stock price decline during the quarter. The company provides technology-enabled services platforms that allow consumers to make health-care saving and spending decisions. The company's platform gives consumers access to their tax-advantaged health-care-savings accounts, and allows them to compare treatment options, pay medical bills, earn wellness incentives, and receive personalized benefit and clinical information. We believe the company's acquisition of WageWorks caused some investors to take a wait-and-see attitude toward HealthEquity's stock. But we think the acquisition should be a positive long-term growth driver for HealthEquity despite some associated seasonal risks. *(Current and future holdings are subject to risk.)*

OUTLOOK

Through three quarters, this year has been an unprecedented one, to say the least, both from a market perspective and otherwise. The unforeseen emergence of the Covid-19 pandemic has combined with other macro factors—an election year in many countries (including the U.S.), increased discussion of climate change and social issues, to name a few—to create a uniquely volatile and uncertain environment. We are grateful that, for the seemingly ever-present instability that has marked 2020, the Fund has generally provided a counterpoint of stability.

The pandemic has also changed the way people are doing business. While that has often been a positive for the Fund—it has often benefited from the contributions of companies making it easier to work remotely—it is nonetheless a noticeable change in the day-to-day realities of most.

As for us at Wasatch Global Investors, we certainly recognize that these solutions, however vital, are not direct replacements for the in-person visits and communication that normally mark our research and due diligence when considering companies in which we might invest.

We are nonetheless committed to maintaining the same diligent research standards by using every tool at our disposal. For now, this means replacing on-the-ground meetings with phone calls and videoconferences. So far this year, Wasatch has conducted more than 1,300 calls or virtual meetings with company management teams and analysts all across the world.

As we navigate the current environment, we feel confident in the companies we hold. We also believe that irrational reactions to market volatility can lead to great buying opportunities for the long-term-oriented investor. By applying our due-diligence process to companies that we see as having the strongest underlying fundamentals and management teams and by making thoughtful tactical decisions, we believe we can continue to make our portfolio of companies even stronger over the five-year-plus time horizon toward which we prefer to invest.

Thank you for the opportunity to manage your assets.

Sincerely,

JB Taylor, Ajay Krishnan, Ken Applegate and Paul Lambert

AVERAGE ANNUAL TOTAL RETURNS

FOR PERIODS ENDED SEPTEMBER 30, 2020

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Opportunities Fund—Investor	11.05%	23.20%	14.47%	14.74%	11.60%
Global Opportunities Fund—Institutional	10.99%	23.09%	14.63%	14.90%	11.67%
MSCI AC World Small Cap Index**	7.92%	3.22%	1.98%	7.63%	7.88%

A fund's performance for very short time periods may not be indicative of future performance.

**Returns less than one year are not annualized.*

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Total Annual Fund Operating Expenses include operating expenses, including the management fee, before any expense reimbursements by the Advisor. **The Advisor has contractually agreed to limit certain expenses to 1.75% for the Investor Class and 1.35% for the Institutional Class through at least 1/31/2021.** See the prospectus for additional information regarding Fund expenses.

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

Performance for the Institutional Class prior to 2/1/2016 is based on the performance of the Investor Class. Performance of the Fund's Institutional Class prior to 2/1/2016 uses the actual expenses of the Fund's Investor Class without any adjustments. For any such period of time, the performance of the Fund's Institutional Class would have been substantially similar to, yet higher than, the performance of the Fund's Investor Class, because the shares of both classes are invested in the same portfolio of securities, but the classes bear different expenses.

Investing in small and micro cap funds will be more volatile and loss of principal could be greater than investing in large cap or more diversified funds. Investing in foreign securities, especially in emerging and frontier markets, entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus. Investments in emerging markets are subject to the same risks as other foreign securities and may be subject to greater risks than investments in foreign countries with more established economies and securities markets.

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

**The MSCI AC (All Country) World Small Cap Index is an unmanaged index and includes reinvestment of all dividends of issuers located in countries throughout the world representing developed and emerging markets. This index is a free float-adjusted market capitalization index designed to measure the performance of small capitalization securities. You cannot invest directly in this or any index.*

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The Wasatch Global Opportunities Fund's investment objective is long-term growth of capital.

Abenomics refers to the economic policies advocated by Japanese Prime Minister Shinzo Abe after his December 2012 re-election to the post he last held in 2007. His aim was to revive the sluggish economy with "three arrows"—a massive fiscal stimulus, more aggressive monetary easing from the Bank of Japan, and structural reforms to boost Japan's competitiveness.

The price-to-sales ratio is a stock's capitalization divided by the company's sales over the trailing 12 months. The value is the same whether the calculation is done for the whole company or on a per-share basis.

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

GLOBAL OPPORTUNITIES FUND — TOP 10 HOLDINGS

AS OF JUNE 30, 2020

Security Name		Percent of Net Assets
Silergy Corp. (Taiwan)		3.8%
Globant S.A. (Argentina)		3.2%
MercadoLibre, Inc.		3.2%
Trex Co., Inc.		2.9%
Monolithic Power Systems, Inc.		2.8%
Vitasoy International Holdings Ltd. (Hong Kong)		2.4%
Five9, Inc.		2.3%
HubSpot, Inc.		2.2%
Voltronic Power Technology Corp. (Taiwan)		2.1%
AU Small Finance Bank Ltd. (India)		2.1%
	Total	26.9%

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.