WASATCH
GLOBAL INVESTORS

Quarterly Commentary

Investor WAGOX / Institutional WIGOX

Wasatch Global Opportunities Fund

MARCH 31, 2021

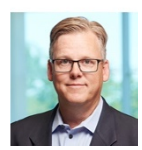
Cyclical Companies Among Those Benefited by Volatile First Quarter

FUND MANAGERS

JB Taylor
Lead Portfolio Manager
9 YEARS ON FUND / 25 YEARS AT WASATCH

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

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



Paul Lambert
Portfolio Manager
2 YEARS ON FUND / 21 YEARS AT WASATCH

OVERVIEW

The Wasatch Global Opportunities Fund—Investor Class gained 2.66% in the first quarter and underperformed its benchmark, the MSCI AC (All Country) World Small Cap Index, which gained 9.23%.

During an eventful and volatile quarter, we took note of widespread positive developments to start the year, including a global vaccination push aimed at ending the pandemic and facilitating a broader, more complete economic reopening. Investor optimism for improved economic activity this year has disproportionately benefited the stocks of more "cyclical" companies in the consumer, financials, materials and energy sectors. Many of these stocks are considered value stocks, which outperformed growth stocks in the first quarter. To give you a sense of magnitude, financial and energy stocks rallied by double-digits whereas stocks in health care, often seen as a defensive growth sector, sold off during the quarter.

We discuss these factors and our thoughts for the future in greater detail in our first quarter *Market Scout*, "Market Leadership Shifted as

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 1.53% / Institutional Class—Gross: 1.48%, Net: 1.35%. 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 1/31/2022.***

Investors Gained Confidence in a Post-Covid Economic Rebound," which can be found on our website *wasatchglobal.com*.

DETAILS OF THE QUARTER

While there is an expectation of improved economic activity in 2021, there is also uncertainty over the timing and magnitude of any recovery. As a result, the management teams of many of the companies we own have taken a pragmatic approach to providing earnings guidance for 2021. Given the lack of visibility and the range of potential outcomes, we understand why a number of management teams provided conservative guidance. In some cases, this led to a selloff of their shares during the first quarter. One such example was **Patrizia AG**, the largest detractor from Fund performance for the quarter.

Based in Germany, Patrizia is a real estate investment firm that's been growing through continued expansion beyond the German real-estate market and from its increasingly diverse portfolio. Our recent discussions with Patrizia's management highlighted the many opportunities they've been seeing in the broader real-estate sector, especially in logistics and warehousing properties as global supply chains are being redesigned. The company has been investing significantly in the business in recent years, which has included hiring several high-profile executives and implementing what we believe are organizational improvements in information-technology (IT) infrastructure. These investments are not only designed to help future-proof the company but also to provide a platform for the business to gain economies of scale and become significantly larger and more successful over time. While investors appear to have been disappointed by the wider-than-expected range of guidance, we are keeping our eyes on the prize and believe that Patrizia is well-positioned to continue growing earnings for many years to come.

During the quarter, Fund performance was impacted by a handful of stocks that had strong stock-price performance in 2020 but whose stocks took a breather during the first quarter. Three such examples were **CyberArk Software Ltd. (CYBR)**, **JMDC, Inc.** and **Paylocity Holding Corp. (PCTY).** Stocks don't typically go up in a straight line, but in all three cases, we believe the companies are positioned to be long-term success stories.

CyberArk boasts what we believe is an already-strong market presence, as well as a still-growing subscriber base. The company offers a range of cybersecurity solutions for access management, identity verification and related applications. In our view, the company has been executing its business plan well. In its most recent financial report, CyberArk reported a 43% increase in recurring revenue for 2020 over 2019. We believe cybersecurity will remain a major area of investment focus for companies—and our research suggests the possibility of increased spending in this area.

JMDC is a Japanese information-services provider that operates a health-data platform management business and offers related services in teleradiology and pharmacy systems. We believe the drive to utilize health-care data to obtain better outcomes for patients is likely to support long-duration growth for JMDC's medical-data products and services. Although JMDC's stock struggled during the first quarter of 2021, it ended 2020 near its all-time high.

Paylocity provides cloud-based payroll and human capital management software. We like the company's strong recurring revenue streams, which accounted for more than 90% of revenues and increased 14% during the quarter ended December 31, 2020, compared to the same period in 2019.

We exited our position in **Asahi Intecc Co. Ltd.**, a Japanese manufacturer of medical tools, as well as ultra-fine stainless-steel wire used in both medical and industrial applications. The company's products include catheters, guidewires and specialized components. Although we consider Asahi to be strong and well-run, we sold our position due to the emergence of new risks associated with the company's efforts in China, where recently announced government regulations threaten to impact the medical-device market. Further considering the company's valuation, we ultimately chose to focus on other opportunities, among them several Japanese companies we find exciting.

Conventional wisdom typically suggests rising interest rates and inflation will benefit cyclical and value companies. The reason is higher rates make lending more profitable and improve deposits' net interest margins for financial institutions. Similarly, higher inflation tends to enhance the profits of materials and energy companies.

However, apart from broad generalizations about cyclical and value companies, we've often found that smaller companies are also well-positioned to cope with inflation because they frequently offer niche products and services in which customers will tolerate price increases. For instance, certain mortgage companies, home-builders, home-improvement businesses, specialty retailers, cloud-based software companies and internet-security providers are currently thriving.

A specific example is homebuilder **LGI Homes, Inc. (LGIH),** one of the top contributors to Fund performance for the first quarter. The company designs and builds homes in about 20 states. LGI has experienced impressive and consistent yearly growth since its 2013 initial public offering and now holds approximately 44,000 lots. LGI had a strong balance sheet going into the pandemic, which we believe will allow the company to continue to take advantage of the opportunities presented by still relatively low mortgage interest rates and the surge in housing demand. While the supply of building materials is tight and costs are rising, LGI has been able to pass these costs on to customers without hurting profits. Moreover, we think the credit standards for mortgage underwriting have been appropriate over the past several years.

One of the outcomes of the pandemic has been an increase in IT spending to accelerate digital-transformation initiatives. In general, Japanese companies are behind those in many other countries when it comes to this trend. To this end, we added a position in **BayCurrent Consulting, Inc.**, a Japanese company offering comprehensive consulting services in numerous industries, including a specialization in IT consulting and integration. BayCurrent continues to see strong demand for its consulting services.

We increased the size of our position in **Abcam plc**, a company Wasatch has owned since 2008. Abcam is based in the United Kingdom and offers research-grade antibodies to medical-research customers in academia and industry. Our research indicates the company is investing to enable it to grow the business in a meaningful and prudent fashion in coming years. We had a call with the company's management team in February and were encouraged by the update we received. Abcam is starting to see the benefits of its recent acquisition of Expedeon's proteomics and immunology business lines, which should continue to aid Abcam's research pipeline for proteins and immune-related diseases. We also expect the company to benefit from its demonstrated ability to rapidly address research needs, a trait that we believe will prove particularly attractive in the current environment.

We slightly increased our emerging-market holdings, which represented over 25% of invested assets as of March 31, 2021. Our emerging-market holdings outperformed our developed-market holdings and outperformed the benchmark's position in emerging markets for the quarter.

The position increase in emerging markets included a new Fund holding in India—**L&T Technology Services Ltd.**, an engineering-services firm and a subsidiary of Larsen & Toubro Ltd., the parent company of two other Wasatch holdings—**Larsen & Toubro Infotech Ltd.** and **Mindtree Ltd.** Mindtree is held in the Fund and was among the top contributors for the quarter.

Two other Indian holdings were the best contributors to Fund performance. They were **AU Small Finance Bank** and **Aavas Financiers Ltd.**, respectively. AU Small Finance Bank primarily targets unbanked and underbanked middle-income borrowers. The company's stock price rose sharply following a strong earnings report issued in late January. Loan disbursements in the October to December quarter rose 34% versus the year-ago quarter as AU's growth returned to normalcy. Management said collection efficiencies and activation rates have achieved normalcy across most segments as well.

Aavas is a non-bank financial company specializing in loans to middle-income borrowers in the informal segment of the economy. Shares of the company surged in early February after Finance Minister Nirmala Sitharaman announced that India's tax holiday on affordable housing projects would be extended for one more year. In the quarter ended December 31, Aavas reported a 26.1% year-over-year increase in standalone profit after tax on 29.5% growth in revenue from operations. Management noted that the company's collection efficiency for the month of December was 98.8%, a level last seen prior to the Covid-19 pandemic. *(Current and future holdings are subject to risk.)*

OUTLOOK

As uniquely eventful as the quarter was, we're increasingly optimistic at the progress toward resolving the coronavirus pandemic. As of this writing, at least two countries—Israel and the U.K.—have reportedly administered at least one dose of a vaccine to more than half their populations. It's particularly good to see a successful vaccine rollout in the U.K., given that the country faced particular challenges in the early months of the pandemic. In addition, following years of underperformance of the U.K. market relative to other developed markets, in large part due to investor concerns surrounding Brexit, there are signs of a return to normalcy in the U.K. We believe we own a number of high-quality, long-duration growth companies in the U.K. that are poised to perform well over the coming years.

We are committed to staying the course through seemingly irrational short-term moves by markets, in large part because we feel convinced that such hiccups are unlikely to change the fundamental reality that sales and earnings growth will generally be reflected in the stock returns of our companies. This underscores why we believe company quality is of the utmost importance. "Staying the course" includes continuing our due diligence. During the challenging quarter, our analysts conducted two fruitful "virtual trips" spending two weeks each in the United Kingdom and Japan.

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 MARCH 31, 2021

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Opportunities Fund—Investor	2.66%	95.80%	19.41%	20.19%	12.70%
Global Opportunities Fund—Institutional	2.44%	96.19%	19.61%	20.37%	12.78%
MSCI AC World Small Cap Index**	9.23%	82.01%	10.86%	13.22%	9.23%

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

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

Data show past performance, which is not indicative of future performance. Current performance may be lower or higher than the data quoted. To obtain the most recent month-end performance data available, please visit wasatchglobal.com. The Advisor may absorb certain Fund expenses, without which total return would have been lower. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. **Total Expense Ratio: Investor Class—1.53% / Institutional Class—Gross: 1.48%, Net: 1.35%**

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 1/31/2022.** 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.*

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties or originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

CFA® is a trademark owned by the CFA Institute.

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

As of March 31, 2021, the Wasatch Global Opportunities Fund was not invested in Larsen & Toubro Infotech Ltd.

Brexit is an abbreviation for "British exit," which refers to the June 23, 2016 referendum whereby British citizens voted to exit the European Union. The referendum roiled global markets, including currencies, causing the British pound to fall to its lowest level in decades.

The "cloud" is the internet. Cloud-computing is a model for delivering information-technology services in which resources are retrieved from the internet through web-based tools and applications, rather than from a direct connection to a server.

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

An initial public offering (IPO) is a company's first sale of stock to the public.

Net interest margin is typically used for a bank or an investment firm that invests depositors' money, allowing for an interest margin between what is paid to the bank's client and what is made from the borrower of the funds. A positive net interest margin indicates that an entity has invested its funds efficiently, while a negative net interest margin implies that the funds have not been invested efficiently.

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

GLOBAL OPPORTUNITIES FUND — TOP 10 HOLDINGS

AS OF DECEMBER 31, 2020

Security Name		Percent of Net Assets
MercadoLibre, Inc.		3.5%
Silergy Corp. (Taiwan)		3.3%
Kornit Digital Ltd. (Israel)		3.1%
Globant S.A. (Argentina)		2.7%
Five9, Inc.		2.4%
Trex Co., Inc.		2.4%
Mindtree Ltd. (India)		2.3%
AU Small Finance Bank Ltd. (India)		2.3%
HubSpot, Inc.		2.2%
Voltronic Power Technology Corp. (Taiwan)		2.1%
	Total	26.3%

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.