Introducing the Wasatch Greater China Strategy

Dedicated to Investing in Outstanding Companies in Mainland China, Hong Kong and Taiwan

DECEMBER 31, 2020

In this white paper, we introduce the Wasatch Greater China strategy and outline the way we are approaching investment into what we consider promising companies in the "greater China" region (primarily comprising mainland China, Hong Kong and Taiwan).

The Wasatch Greater China strategy is perhaps best understood by focusing on three of the primary benefits that we believe the new strategy provides to our investors—active management backed by Wasatch's time-tested investment philosophy and process, dedicated exposure to investment opportunities in greater China, and differentiated exposure to this region relative to broader emerging-market strategies.

CHINA: A BROAD AND DEEP OPPORTUNITY SET

The fundamental reason for increased investor focus on China is that China offers a broad, deep and dynamic market, which includes many companies that meet Wasatch's fundamental criteria for quality and growth. In short, we believe the opportunity set in China has become "too big to ignore," as reflected in ***Figure 1*** below.

We believe carefully selected Chinese-listed companies present the prospects of attractive growth and profitability. Furthermore, the breadth of the universe presents a significant opportunity for growth-oriented, long-term investors seeking high-quality companies.

Key Takeaways

- The Wasatch Greater China strategy offers differentiated exposure to the Greater China region—mainland China, Hong Kong and Taiwan.
- China's explosive growth in recent decades have made the mainland's markets too big to ignore, and they offer many companies that meet Wasatch's fundamental criteria for quality and growth.
- The "all-cap" Wasatch Greater China strategy invests more heavily in small- and mid-cap companies than the MSCI China Index, which has a heavier weighting in large-caps.
- Health care is an attractive sector not only due to the size and aging of China's population but also through continued closing of the gap in health-care access between urban centers and more rural, traditionally underserved regions.
- Wasatch has nearly two decades of experience investing in China.
- Wasatch's "bottom-up" approach lends itself well to finding individually excellent companies in mainland China and the broader Greater China region.

First, let's look at mainland China. Most investors interested in China likely need little explanation of the country's incredibly explosive growth in recent decades. China is already the world's second-largest equity market and its second-largest credit market, and it continues to grow.

Between 1973 and 2013, China's gross domestic product (GDP) reportedly grew by between 9.5% and 11% annually. Furthermore, China has enjoyed such levels of growth for four decades. The engine behind this economic growth has been China's population of nearly 1.4 billion and a rapidly rising standard of living. Extreme poverty (defined by the World Bank as an income below $1.90 per day) in China declined from 88% in 1981 to roughly 2% in 2017, while average income skyrocketed by more than 4,000% during the same period.

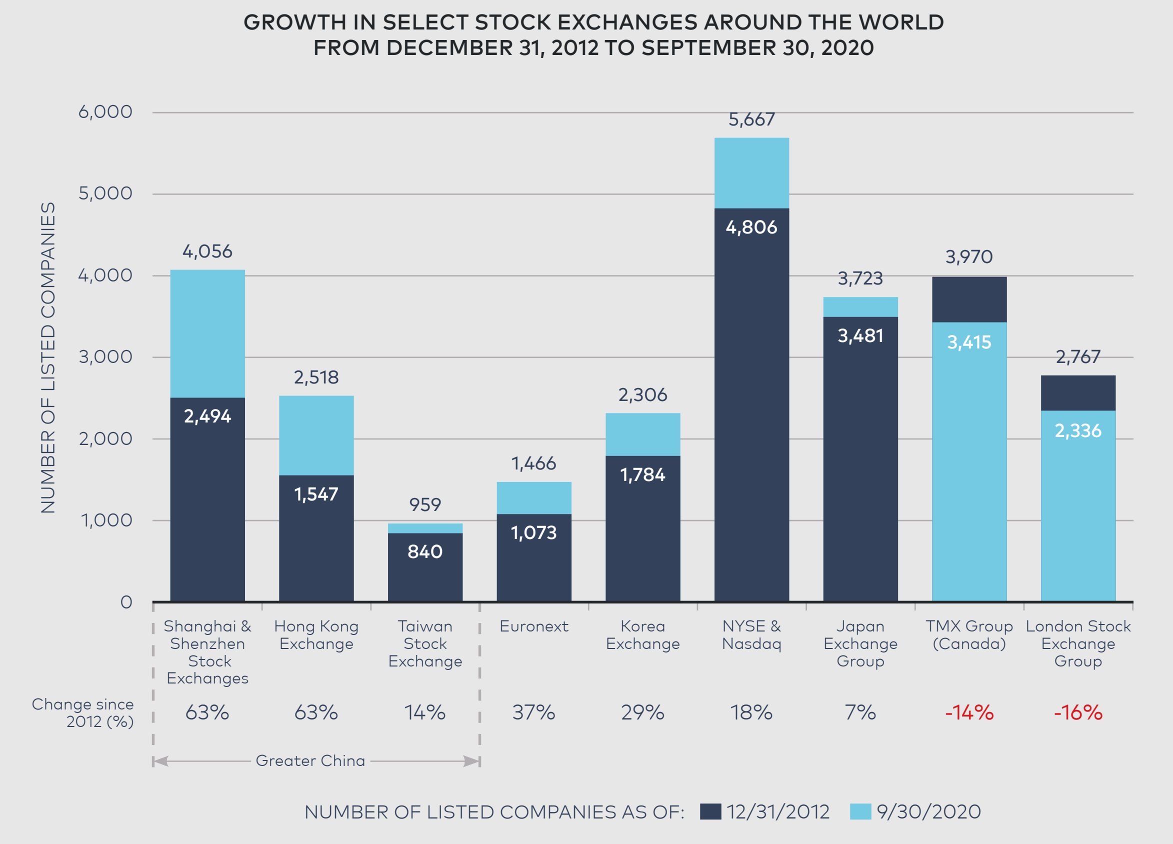
China has also seen a dramatic increase in initial public offerings (IPOs). Between 2016 and 2018, IPO activity amounted to an estimated $1.5 trillion in capital formation. By contrast, during the same period, the U.S. saw $559 billion in capital formation. As of late October 2020, Chinese IPO activity was on track to lead the world for the first time, with the Shanghai market in particular having seen more than triple the capital formation in 2020 compared to the same period in 2019.

As a result of this growth, China accounted for more than 16% of global GDP in 2019, the second-highest total after the United States, which accounted for about 24%.

For some investors, the exposure to China reflected by major emerging-market benchmarks is sufficient for their investment goals. In November 2019, MSCI completed the final stage of its three-step schedule for increasing China's inclusion within its indexes. Already, the Shanghai and Shenzhen stock exchanges combined make up approximately one-tenth of total global market capitalization and the total universe of Chinese companies across all market-cap ranges is more than 5,000.

In light of China's weight increases in MSCI's benchmarks, as well as the anticipation that additional Chinese companies are likely to be added over the long-term, some investors have chosen to bifurcate their emerging-market exposure. One possible approach is to invest in "ex-China" emerging-market strategies, which actively exclude China,

Figure 1: The Greater China Region Boasts Two of the Fastest Growing Equity Markets



Source: The World Federation of Exchanges database. Data is as of 12/31/2012 and 9/30/2020.

while supplementing with an appropriate dedicated China strategy. This approach is potentially more attractive when one considers that, in recent years, China's total market capitalization has already surpassed that of all other emerging markets combined despite only partial index inclusion.

For investors seeking either supplemental or standalone exposure to China, we believe the Wasatch Greater China strategy offers several advantages. Through the strategy, we aim to offer China exposure that is dedicated, differentiated and actively managed as explained below.

DEDICATED GREATER CHINA EXPOSURE

As reflected above, the average investor with any exposure to emerging markets likely already has some exposure to China. For example, as of September 30, 2020, the Wasatch Emerging Markets Small Cap strategy had a weight of approximately 28% in the Greater China region. Likewise, as of September 30, 2020, the Wasatch Emerging Markets Select strategy, which enables Wasatch to capture growth opportunities higher on the market-cap spectrum (for example, by investing in companies long-held by Wasatch that have "graduated" beyond the small-cap space), had a weight of approximately 32% in the Greater China region.

Through the Wasatch Greater China strategy, Wasatch Global Investors seeks to provide an option for dedicated exposure to what we consider promising, growth-oriented companies based in mainland China, Hong Kong and Taiwan. Within the strategy, at least 80% of assets will be invested in companies tied economically to the Greater China region. We define a company as being tied economically to the Greater China region as a company that is organized under the laws of a country or administrative district within the Greater China region; a company that derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in the Greater China region; a company headquartered or organized in the Greater China region; a company whose principal place of business is in the Greater China region; or a company whose stock is primarily traded on a securities exchange or exchanges in the Greater China region. In order to best capitalize on the depth of the offerings available within Greater China's dynamic markets, the Wasatch Greater China strategy will be constructed as an "all-cap" portfolio, including small-, mid- and large-cap companies that we like and that are based in the Greater China region.

Wasatch's goal in constructing the Greater China strategy is to offer a portfolio of companies in which we have high conviction rooted in strong fundamentals. To this end, the strategy will hold between 35 and 50 positions. The portfolio will be concentrated in our highest-conviction companies, but will leave room for exploration of promising, but potentially more speculative prospects. We expect that just under one-third of strategy assets will be invested in China A-shares, while the remainder will primarily be invested in depositary receipts, H-shares and shares traded on the Taiwan Stock Exchange. These investment instruments are broken down in greater detail in ***Figure 2*** below.

FIGURE 2: PRIMARY INSTRUMENTS FOR INVESTING IN THE GREATER CHINA REGION
A-Shares are denominated in China's currency, the renminbi, and are available to foreign investors eligible under the Qualified Foreign Institutional Investor program, as well as via the Shanghai and Shenzhen stock exchanges and through both exchanges' Hong Kong Stock Connect programs. We expect A-shares to constitute approximately 30% of the Wasatch Greater China portfolio.
American Depositary Receipts (ADRs) are certificates issued by a U.S. financial institution that represent shares in a foreign stock. ADRs are denominated in U.S. dollars and trade on U.S. stock exchanges, with the underlying security being held by the financial institution. **European Depositary Receipts (EDRs)** and **Global Depositary Receipts (GDRs)** function similarly to ADRs with the primary differences being the markets on which they are traded and the currencies in which they are denominated. EDRs are issued by European banks and GDRs are issued by foreign financial institutions and some U.S. banks.
H-Shares are shares of mainland Chinese companies that are listed on the Hong Kong Stock Exchange and denominated in Hong Kong dollars. In addition to A-shares, ADRs, EDRs and GDRs, we expect H-shares to be a significant component of the Wasatch Greater China strategy.
Taiwan Stock Exchange: The Taiwan Stock Exchange (TWSE), based in Taipei, Taiwan, is the securities trading center in Taiwan. Listed securities include stocks, Taiwan Depositary Receipts (TDRs) and real estate investment trusts (REITs), and other investment instruments.

DIFFERENTIATED GREATER CHINA EXPOSURE

One of the effects of China's economic growth has been increased use by Chinese citizens of both health-care facilities and related health-care products and services, such as health insurance. As reflected in ***Figure 3*** below, the health-care space is among the opportunities in China that we find especially exciting.

There are several themes particular to mainland China that we believe might benefit the health-care sector. For starters, we believe one of the fundamental features of nearly any promising health-care company is a large addressable market. On this front, the Chinese market would appear to be without peer as China boasts the largest population on the planet—more than four times that of the United States.

Beyond size alone, China's population is also among the fastest-aging of any country, suggesting the potential for increased reliance on health-care services over the long term. Finally, because China's economic growth spurt has happened relatively recently, we believe there remains significant headroom for continued, long-term growth of Chinese health-care companies, including through continued closing of the gap between health-care access in urban centers and more rural, traditionally underserved regions.

FIGURE 3: WASATCH GREATER CHINA STRATEGY AND MSCI CHINA INDEX SECTOR WEIGHTS AS OF SEPTEMBER 30, 2020

Sector	Wasatch Greater China Strategy Weight	MSCI China Index Weight
Consumer Discretionary	26.0%	37.7%
Communication Services	6.3%	21.6%
Financials	13.1%	13.1%
Health Care	16.0%	5.2%
Information Technology	7.8%	5.1%
Industrials	13.8%	4.3%
Consumer Staples	12.7%	3.9%
Real Estate	—	3.9%
Materials	3.2%	1.9%
Utilities	—	1.7%
Energy	—	1.6%

Source: Wasatch Global Investors and FactSet.

Furthermore, because Wasatch believes that China's growth story has been overwhelmingly driven by the cumulative socioeconomic shifts of its immense population, the Greater China strategy will also focus on mainland Chinese companies whose growth is being driven by domestic consumption, including those in the consumer-discretionary and consumer-staples sectors, which combined to account for nearly 39% of the Greater China strategy's assets as of September 30, 2020.

We also believe the Greater China strategy differs from many other China-focused portfolios in its heavier emphasis on small- and mid-cap Chinese companies. Although the strategy is "all-cap" and has considerable exposure to large-cap Chinese companies we believe to be strong, the strategy is significantly and intentionally underweight in large caps compared to its benchmark, the MSCI China Index. Instead, we have chosen to give ourselves additional room to focus lower on the market-cap spectrum on small-caps and mid-caps, where we believe there are better opportunities to find companies with more reliable and dynamic growth prospects. We also believe our significantly overweight exposure to Chinese mid-cap companies, in particular, aids our efforts to populate the strategy with proven, high-quality companies that still have room to expand over the long term.

ACTIVELY MANAGED GREATER CHINA EXPOSURE

It has become increasingly clear that the incredible growth and modernization experienced by mainland China in recent decades has not been merely an internal factor solely affecting the Chinese population. Notably, in addressing a China that is "too big to ignore," it is also impossible to avoid or ignore the political tensions associated with the country's expansion.

China's increasing sphere of influence has, perhaps by definition, also represented the emergence of a new geopolitical and economic force. As a result, China's geopolitical machinations have increasingly overlapped with the interests of other economic powers, including the U.S., the U.K., Germany and Japan. The most timely of these issues include the ongoing Covid-19 pandemic, which has further intensified a separate U.S.-China trade dispute that has sporadically dominated headlines in recent years. However, despite early analyst predictions that China would be particularly hard-hit by the virus in light of its having originated in Wuhan, the Chinese economy has proven resilient.

Since March 2020, China has undergone a V-shaped recovery that has seen many economic metrics return to their pre-pandemic levels. Although the country is not entirely "out of the woods" as far as the pandemic is concerned, consider that, in one 24-hour "Singles' Day" sale in November 2020, Chinese retailer Alibaba sold a record $74.1 billion in goods—nearly double the company's 2019 haul of $38.4 billion in sales during the same event, which had itself already more than doubled the combined sales of the 2019 Black Friday and Cyber Monday retail events in the U.S.

But beyond the short-term focus on Covid-19, many investors remain wary of investing in China due to political and trade tensions, including human rights concerns in Hong Kong and Xinjiang, and rhetoric regarding Taiwan. While these issues are complex, Wasatch's perspective is that it is possible to invest in mainland Chinese companies both successfully and responsibly.

The role of state-owned enterprises (SOEs) in China's economy—another concern oft-voiced by investors—provides potentially helpful context on these matters. This issue has received added attention in the lead-up to and aftermath of the U.S. elections given the outgoing Trump administration's effort to implement restrictions on certain Chinese companies, listed in the U.S. via American Depositary Receipts (see ***Figure 2***), that are considered to be unduly connected to the Chinese government. We believe this is largely irrelevant, both as it pertains to Wasatch, which isn't invested in any companies that would be impacted by the proposed restrictions, and in a broader sense, because the majority of the companies in question also have their shares listed as H-shares via the Hong Kong market. It is also notable that, because this particular effort has been highly politically charged, its introduction during a lame-duck presidency casts further doubt as to whether the incoming Biden administration would be likely to take the same approach.

However, even beyond these recent issues, many investors have generally hesitated to invest in China due to the extent to which the Chinese government has historically maintained state control of certain industries. Concerns include the government's potential impact on economic conditions through its control of industrial and monetary policies and its management of currency exchange rates and debt repayment of foreign currency-denominated obligations, among other means.

To this end, we believe there are several important points. First, the number of SOEs in China has decreased precipitously. In the 1970s, the Chinese government employed as much as 99% of urban workers in China, compared to an estimated 20% today. Moreover, according to November 2018 research by Stratfor, SOEs' "share of the gross domestic product fell from more than 50% to 25% in just 15 years; and they account for only 5% of industrial enterprises today, compared with 18% in 2003."

Second, as highlighted in ***Figure 3*** above, Wasatch traditionally does not invest heavily in the sectors most inhabited by SOEs, which today are largely concentrated in core sectors and industries, including utilities, tobacco, real estate, infrastructure and energy exploration and refining. Indeed, in the rare instances that state influence is directly relevant to our investments, our tendency has been to invest in areas that have been benefiting from the Chinese government's efforts to continue to spur market growth (e.g., recent government efforts aimed at benefiting some biotechnology and health-care firms).

Third, while we believe that a prudent investor must consider currency risks, we simultaneously recognize that China's currency has traditionally been relatively stable and has tended to trade within a tight range. Although these factors could change, we do not have serious concerns regarding the potential of currency exchange rates to affect our ability to find worthwhile Chinese investments.

Finally, it seems that investors' concerns are not falling entirely on deaf ears. In proceeding through its three-step inclusion of Chinese stocks in its indexes, MSCI wrote that, "As part of this consultation, international institutional investors also stressed that a future weight increase of China A shares in the MSCI indexes beyond 20% would require Chinese authorities to address a number of remaining market accessibility questions. MSCI is in contact with the appropriate regulatory authorities to discuss the highlighted market accessibility constraints, including restrictions on access to hedging and derivatives instruments…"

China's recent and explosive growth seems to necessitate that the country's leaders continue to take steps to build trust in its capital and bond markets. On the investment front, there has been some positive progress in recent years, including a decrease in the number of restrictions on investments and the creation of free trade zones over the past five years. And China shows no signs of slowing down its outreach to the world—November 2020 marked the signing of the newly formed Regional Comprehensive Economic Partnership (RCEP), a free trade agreement featuring as signatories China and 14 other Asia-Pacific countries. Cited by numerous publications as the largest trade bloc in history, it is estimated that the combined membership in the RCEP, whose member nations account for roughly 30% of the global population, will similarly account for 30% of global GDP.

Perhaps just as importantly, while Wasatch does not believe the above investor concerns outweigh the potential benefits of investing in mainland China, we certainly believe they effectively highlight the value of active management—especially active management backed by a proven track record of successful investments in emerging markets. In addition to implementing processes to screen prospective investments for potential environmental, social and governance (ESG) concerns, we also believe we are able to organically sidestep many of these risks due to an investment philosophy that fundamentally prefers companies with strong governance structures. Indeed, we have not hesitated, when necessary, to actively exclude from consideration companies that we otherwise liked due to the emergence of such factors. This is one example of why the value of active management ultimately stems from the due diligence of the manager in question, as discussed in greater detail below.

THE WASATCH ADVANTAGE

Although the Wasatch Greater China strategy is new, Wasatch Global Investors is not new to investing in China. In fact, we have nearly two decades of experience. Moreover, the strategy will be managed within the existing emerging-markets team, thus benefiting from its institutional knowledge, perspectives and tested approach.

In constructing the strategy, Wasatch has remained firmly grounded in its foundational investment philosophy and legacy, which is first and foremost "bottom-up." This means we are primarily concerned with finding companies that are individually excellent. As such, we weigh the potential rewards of investing against the risks facing every individual company every time we consider making an investment for one of our strategies. Due to the considerable breadth and depth of mainland China's market, we also believe there remains a large universe of companies that are under-researched compared to their counterparts in the U.S., Western Europe and Japan, for example.

In our view, another vital component of "due diligence" is boots-on-the-ground research. In normal environments, Wasatch's portfolio managers and analysts collectively travel hundreds of times each year to meet with company management teams all over the world. Over the last five years, our research team has made 19 trips to the Greater China region alone, with an average of 2.3 analysts on each trip and more than 575 in-person company meetings. In the current environment of stay-at-home orders, Wasatch's research team has worked tirelessly to maintain the same diligent standard, even as it has often meant converting scores of previously scheduled in-person meetings into phone calls and video conferences.

Our hands-on approach served us well when we began in 1975 as a firm focused primarily on micro- and small-cap stocks. In the years since our founding, we have been able to increasingly and successfully apply that same bottom-up approach across international and emerging markets, such as India—whose economic growth story shares many similarities with China's. Following a long period of intensive analysis and research, Wasatch ultimately launched an Emerging India strategy, and subsequently leveraged that gained knowledge and experience across our other strategies.

In seeking to once again duplicate this methodical and rigorous Wasatch approach, we have made it a priority to expand and strengthen the team charged with spearheading Wasatch's research effort in the Greater China region. The firm is proud to count two native Mandarin speakers among the assets comprising its world-class staff.

The lessons we have learned over the past 45 years have built up our institutional memory and have informed Wasatch's approach to investing in China. We believe the combination of the firm's detail-oriented small-cap legacy and its extensive experience in emerging markets combine to represent a considerable competitive advantage for the Wasatch Greater China strategy.

ABOUT WASATCH GLOBAL INVESTORS

Wasatch Global Investors 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 research team.

Wasatch Global Investors is an employee-owned investment advisor founded in 1975 and headquartered in Salt Lake City, Utah. The firm had $25.2 billion in assets under management as of September 30, 2020. Wasatch Global

Investors is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

ABOUT THE PORTFOLIO MANAGERS

Dan Chace, CFA

Lead Portfolio Manager

22 Years of Experience / 18 Years at Wasatch

Mr. Chace is the Lead Portfolio Manager for the Wasatch Greater China strategy. He is also a Portfolio Manager on the emerging markets and international micro cap research teams. He joined Wasatch Global Investors as a Senior Analyst in 2002.

Mr. Chace has been in the finance industry since 1996, working in the New York offices of J.P. Morgan Securities, SG Cowen Securities, Merrill Lynch, and Oppenheimer & Co. His work in New York was as an equities analyst following Latin American financial institutions.

Mr. Chace earned a Master of Business Administration from Harvard University. He completed his undergraduate studies at Pomona College, receiving a Bachelor of Arts in Cultural Anthropology. He is also a CFA charterholder.

Mr. Chace spent two years in Paraguay with the United States Peace Corps, where he was a volunteer working on water sanitation and health infrastructure projects in rural communities.

Dan is a New Jersey native and speaks Spanish. He enjoys competitive sports and the outdoors, especially trail running.

Allison He, CFA

Associate Portfolio Manager

15 Years of Experience / 7 Years at Wasatch

Ms. He is an Associate Portfolio Manager on the Wasatch Greater China strategy. She is also an Associate Portfolio Manager on the international micro cap and emerging markets research teams. She joined Wasatch Global Investors as a Senior Analyst in 2013.

Prior to joining Wasatch, Ms. He was a vice president at Western Investment LLC, a multi-strategy fund—where she managed hedging strategies, activism strategies and arbitrage opportunities in international equity closed-end funds. She also has years of experience in quantitative research and data analytics.

Ms. He earned a Master of Business Administration with the Palmer Scholar honor from the Wharton School of the University of Pennsylvania, a Master of Engineering in Computer Science from the University of Utah, and a Bachelor of Science in Computer Science from Beijing Jiaotong University. She is also a CFA charterholder.

Allison was born and raised in China and is fluent in Mandarin. She enjoys travel, food and playing classical piano.

Kai Pan, PhD

Associate Portfolio Manager

16 Years of Experience / 1 Year at Wasatch

Dr. Pan is an Associate Portfolio Manager on the Greater China research team. He joined Wasatch Global Investors in 2019 as a Senior Analyst focused on emerging markets.

Prior to joining Wasatch, Dr. Pan was a sell-side analyst for nine years at Morgan Stanley covering property-and-casualty insurance companies, including Berkshire Hathaway. From 2004 to 2009, he was a buy-side analyst at New York City-based Stadia Capital, a long/short equity fund that was part of FrontPoint Partners and Morgan Stanley Investment Management. Before his investment career, he spent five years in Silicon Valley at a start-up company, modeling natural-catastrophe risks.

Dr. Pan received Bachelor's degrees in Civil and Environmental Engineering from Tsinghua University in Beijing, Master's and PhD degrees in Structural Engineering from Johns Hopkins University in Baltimore and a Master of Business Administration from New York University Stern School of Business.

Kai is a native of China. He met his wife Li in college, and they have two sons. He enjoys traveling and hiking.

Kevin Unger, CFA

Associate Portfolio Manager

8 Years of Experience / 5 Years at Wasatch

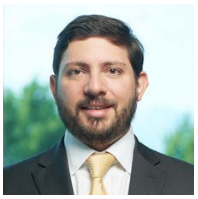
Mr. Unger is an Associate Portfolio Manager for the Greater China strategy and serves on the emerging-markets research team. He joined Wasatch Global Investors as an Analyst in 2015.

Prior to joining Wasatch, Mr. Unger was an analyst for Wells Capital Management, where he worked on the Berkeley Street Emerging Markets Equity Fund. Earlier, he was an analyst in the energy and securities groups at NERA

Economic Consulting, where he conducted econometric analyses across numerous regulated industries.

Mr. Unger received a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania. He is also a CFA charterholder.

Kevin has lived in the Netherlands, and he is conversational in German and proficient in Spanish. He is an avid soccer player and enjoys traveling.



Pedro Huerta, CFA

Associate Portfolio Manager

10 Years of Experience / 4 Years at Wasatch

Mr. Huerta is an Associate Portfolio Manager on the emerging markets research team, where his work includes a focus on Greater China. He joined Wasatch Global Investors as an Analyst in 2016.

Prior to joining Wasatch, Mr. Huerta was an equity research analyst at Pacific Investment Management Company (PIMCO), where he covered developed and emerging markets with a particular focus on dividend-paying companies. Earlier, he was a senior investment analyst at Moneda Asset Management, where he covered Latin American companies broadly and specialized in Chilean retailers and banks.

Mr. Huerta earned a Master of Business Administration from the Wharton School of the University of Pennsylvania, and a Bachelor of Science and a graduate degree in Industrial Engineering from Universidad de los Andes in Chile. He is also a CFA charterholder.

Pedro is a native of Chile. He speaks Spanish and Portuguese, and enjoys music (especially bagpipes), literature, skiing and hiking.

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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. Investing in foreign securities, especially in emerging markets, entails special risks, such as unstable currencies, highly volatile securities markets and political and social instability, which are described in more detail in the prospectus.

The Fund is subject to risks associated with investments in China and countries in the greater China region that could affect the value of your investment in the Fund, including government control over currencies, economic conditions, industries and specific issuers, as well as continued strained international relations, uncertainty regarding taxes, and limits on credible corporate governance and accounting standards. Because of its exposure to greater China, including mainland China and China's special administrative regions, such as Hong Kong, the Fund is subject to greater risk of loss as a result of volatile securities markets, adverse exchange rates and social, political, military, regulatory, economic or environmental developments, or natural disasters that may occur in the China region. The imposition of tariffs or other trade barriers by the U.S. or foreign governments on exports from China may also have an adverse impact on Chinese issuers. The Fund may invest in the securities of Chinese issuers through the China Stock Connect program. Trading through the Stock Connect Programs is currently subject to a daily quota, which limits the maximum net purchases by all purchasers using the Stock Connect Programs each day. While the daily quotas are relatively large, there is the possibility that the quotas could be reduced or exceeded, meaning buy orders for China A-shares would be rejected, affecting the Fund's ability to efficiently execute on its investment strategy.

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.

Being non-diversified, the Wasatch Greater China Fund can invest a larger portion of its assets in the stocks of a limited number of companies than a diversified fund. Non-diversification increases the risk of loss to the Fund if the values of these securities decline.

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 Greater China Fund's investment objective is long-term growth of capital. The investment objective for the Wasatch Emerging Markets Small Cap Fund, the Wasatch Emerging Markets Select Fund and the Wasatch Emerging India Fund is long-term growth of capital.

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.

As of September 30, 2020, the Wasatch Greater China strategy had 6.8% of net assets and the Wasatch Emerging Markets Select Fund had 2.4% of net assets invested in Alibaba Group Holding Ltd. (ADR).

As of September 30, 2020, the Wasatch Emerging Markets Small Cap Fund and the Wasatch Emerging India Fund were not invested in Alibaba Group Holding Ltd.

Wasatch Advisors, Inc., doing business as Wasatch Global Investors, is the investment advisor to Wasatch Funds.

Wasatch Funds are distributed by ALPS Distributors, Inc. (ADI). ADI is not affiliated with Wasatch Global Investors.

DEFINITIONS

China **A-shares** *are sold on mainland China's two stock exchanges, which are in Shanghai and Shenzhen. A-shares are denominated in mainland China's currency, the renminbi.*

An **American Depositary Receipt (ADR)** *is a negotiable certificate issued by a U.S. bank representing a specified number of shares in a foreign stock that is traded on a U.S. exchange.*

A **European depositary receipt (EDR)** *is a negotiable security issued by a European bank that represents the public security of a non-European company and trades on local exchanges. The shares issued by the bank are priced in local currencies (mainly euro) and also pay dividends, if applicable, in local currencies.*

A **global depositary receipt (GDR)** *is a general name for a depositary receipt where a certificate issued by a depository bank, which purchases shares of foreign companies, creates a security on a local exchange backed by those shares.*

Gross domestic product (GDP) *is a basic measure of a country's economic performance and is the market value of all final goods and services made within the borders of a country in a year.*

H-shares *refer to the shares of companies incorporated in mainland China that are traded on the Hong Kong Stock Exchange. Many companies float their shares simultaneously on the Hong Kong market and one of the two mainland Chinese stock exchanges in Shanghai or Shenzhen. Such companies are known as A+H companies.*

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

The **MSCI China Index** *captures large- and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 714 constituents, the index covers about 85% of this China equity universe. Currently, the index includes large-cap A shares and mid-cap A shares represented at 20% of their free float adjusted market capitalization.*

Renminbi is the official currency of China and is one of the world's reserve currencies. The yuan is the basic unit of the renminbi, but the word is also used to refer to the Chinese currency generally, especially in international contexts.

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