

Investor / Institutional
WAGSX / WGGSX

Wasatch Global Select Fund

SEPTEMBER 30, 2022

In a Volatile Market, Our Focus Remains On Quality

OVERVIEW

The Wasatch Global Select Fund—Investor Class declined -4.91% in the third quarter of 2022, but outperformed its benchmark, the MSCI AC (All Country) World Index, which was down -6.82%.

After losing ground for much of 2022, global equities rebounded in July through mid-August. However, stocks turned lower later in the third quarter due to concerns about persistent inflation and rising interest rates in many developed markets. Data pointing to a slowdown for the global economy also weighed on stocks during the period.

On a geographic basis, our overweight position in India and the double-digit collective gain of our holdings contributed most to the Fund's performance relative to its benchmark. Our group of holdings in the U.S. also contributed to relative performance. However, our holdings in Taiwan underperformed those of the benchmark and detracted from relative results.

At the sector level, our holdings in the financials and consumer-discretionary sectors outperformed those of the benchmark. Conversely, our lack of exposure to the energy sector detracted from relative results.

FUND MANAGERS



Ken Applegate, CFA, CMT
Portfolio Manager

3 / 8
YEARS ON FUND / YEARS AT WASATCH



Paul Lambert
Portfolio Manager

3 / 22
YEARS ON FUND / YEARS AT WASATCH



Linda Lasater, CFA
Portfolio Manager

3 / 16
YEARS ON FUND / YEARS AT WASATCH



Mike Valentine
Portfolio Manager

3 / 6
YEARS ON FUND / 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, without which total returns would have been lower. 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—Gross: 2.17%, Net: 1.35% / Institutional Class—Gross: 1.56%, Net: 0.95%. The Advisor has contractually agreed to limit certain expenses to 1.35% for the Investor Class and 0.95% for the Institutional Class through at least 1/31/2023.***

DETAILS OF THE QUARTER

The strongest contributor to Fund performance for the quarter was **Bajaj Finance Ltd.** A non-bank financial company, Bajaj Finance is the lending arm of the Bajaj Group—a well-regarded Indian industrial house founded in 1926. Shares of the company had been under pressure for much of the year as foreign institutional investors seeking to reduce risk in their portfolios liquidated positions in Indian equities. After nine months of selling, that trend reversed. Sentiment toward Indian financials in particular has benefited from a broad-based acceleration in lending throughout India’s banking system.

Five Below, Inc. (FIVE) was another top contributor. The company operates a chain of specialty discount stores aimed at “tweens” and teens that sell products that cost up to \$5, plus a small assortment of products priced from \$6 to \$25. While the company lowered guidance for the full year and missed consensus estimates in its most recent quarterly earnings report, guidance for the all-important fourth-quarter holiday season included some positive takeaways. Management also said it expects operating margin expansion due to tight expense controls. In addition, the company is accelerating new store openings, following a pandemic-driven slowdown and construction challenges, which we think will provide future revenue growth.

Another stock making a significant contribution to Fund performance was **MercadoLibre, Inc. (MELI)**. The company operates an online marketplace and payments system in Latin America and was among a group of businesses that were “Covid beneficiaries.” The stocks of such companies outperformed during the pandemic due to anticipation for stronger demand for their services in a stay-at-home environment. As society normalized, many of these same stocks, including MercadoLibre’s, sold off. But the stock has

rebounded as earnings results from the first half of 2022 demonstrated the resiliency of MercadoLibre’s business.

Ongoing concerns about an excess supply of semiconductor chips weighed on **Silergy Corp.**, the greatest detractor from Fund performance for the quarter. The company manufactures mixed-signal and analog integrated-circuit chips used in a wide array of electronic devices. Long term, we think Silergy’s business model—which is based on analog design engineering—is difficult to replicate and is likely to provide the company with meaningful headroom for growth.

JMDC, Inc. was another significant detractor for the quarter. Management’s plan to raise additional capital weighed on the stock of the Japan-based medical data company, but we continue to like its long-term growth potential. We believe JMDC will play a vital role in helping Japan’s health-care system achieve better patient outcomes through the use of data and analytics.

Another detractor was **ICON PLC (ICLR)**, a health-care company that provides contracted clinical-research services to global biotechnology and pharmaceutical firms. Services include overseeing clinical studies, managing data, consulting on regulatory issues, and assisting in the development of pharmaceuticals through the use of centralized laboratories. Concern about the funding market for biotech companies likely weighed on the stock, but so far ICON’s backlog of orders for services continues to grow. We also like that the company has accelerated paying down its debt from a prior acquisition. In our view, ICON is a less risky way to invest in biotech innovation. Unlike a biotech startup, whose success or failure may hinge on the results of a clinical trial for a single therapy, ICON benefits from innovation more broadly, and the growing number of companies bringing new treatments to market.



OUTLOOK

There are an increasing number of concerns impacting markets including inflation, rising interest rates, the war in Ukraine, and likely recessions in many economies around the world. These forces create uncertainty and have led to significant volatility and weakness in markets.

Wasatch has invested through a variety of market environments over our 47-year history. Our success is founded upon a laser focus on individual companies. We have a deep understanding of our businesses. This enables us to take advantage of volatility, using market weakness to add to our position sizes in companies for which we have a high degree of conviction.

Our investment philosophy is based upon identifying high-quality, long-duration growth companies. Economic downturns and times of uncertainty like we've encountered recently are when the quality of a company matters most. Firms with strong balance sheets, low debt levels and cash generative business models can weather an economic storm. They can also continue with self-funded growth initiatives, at a time when the rising cost of capital prevents their competitors from doing so.

These high-quality factors should help our companies not only survive an economic downturn but also thrive in the future. We've seen our companies use the challenging environment to their advantage by consolidating an industry or taking market share from weaker competitors, for example. In turn, we believe these actions should set our companies up for even better growth prospects over the medium to long term.

Looking ahead, we won't try to predict when the economy, or stock markets, will rebound. But markets are already pricing in a dire scenario, with the valuations of many global small-cap companies at or near decade lows. With a portfolio stacked full of what we believe are exceptional investment opportunities we are extremely excited about the Fund's prospects over the next three to five years.

Thank you for the opportunity to manage your assets.

Sincerely,

Ken Applegate, Paul Lambert, Linda Lasater and Mike Valentine



AVERAGE ANNUAL TOTAL RETURNS

FOR PERIODS ENDED SEPTEMBER 30, 2022

	Quarter*	1 Year	3 Years	5 Years	Since Inception**
Global Select Fund—Investor	-4.91%	-37.76%	-0.44%	N/A	-0.44%
Global Select Fund—Institutional	-4.75%	-37.47%	-0.06%	N/A	-0.06%
MSCI AC (All Country) World Index†	-6.82%	-20.66%	3.75%	N/A	3.75%

*Returns less than one year are not annualized.

**The Wasatch Global Select Fund's inception date was October 1, 2019.

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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 1.35% for the Investor Class and 0.95% for the Institutional Class through at least 1/31/2023.** 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.

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. 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, containing this and other information, visit wasatchglobal.com or call 800.551.1700. Please read the prospectus carefully before investing.

Being non-diversified, the 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.



*The MSCI AC (All Country) World Index is a free float adjusted market capitalization index designed to measure the equity market performance of mid-cap and large-cap securities across 23 developed-market and 27 emerging-market countries. Indexes are unmanaged.

Indexes are unmanaged. Investors cannot invest directly in this or any index.

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

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

GLOBAL SELECT FUND – TOP 10 HOLDINGS

AS OF JUNE 30, 2022

Security Name	Percent of Net Assets
Morningstar, Inc.	4.7%
Roper Technologies, Inc.	4.7%
Amphenol Corp., Class A	4.7%
Copart, Inc.	4.4%
HDFC Bank Ltd.	4.3%
Bank OZK	4.3%
Abcam PLC	4.3%
ICON PLC	4.2%
Bajaj Finance Ltd.	3.9%
BayCurrent Consulting, Inc.	3.7%
Total	43.2%

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.