WASATCH GLOBAL INVESTORS

Quarterly Commentary

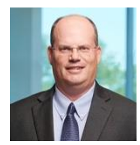
Investor FMIEX / Institutional WILCX

Wasatch Global Value Fund

DECEMBER 31, 2022

Optimism About the Fed Fueled a Strong Fourth Quarter, but Macro Forces Continue to Cloud Economic Sentiment

FUND MANAGER



David Powers, CFA, CAIA, CPA
Lead Portfolio Manager

9 YEARS ON FUND / 9 YEARS AT WASATCH

OVERVIEW

Global equities finished the fourth quarter of 2022 well into positive territory, trimming the extent of their losses for the full year. The market's gains were concentrated in October and November, when signs that inflation had peaked alongside less hawkish commentary from U.S. Federal Reserve (Fed) Chairman Jerome Powell raised hopes that the central bank would end its interest-rate hiking cycle in early 2023. Indeed, both the Fed and the European Central Bank raised their benchmark overnight lending rates by a more modest 0.5 percentage point in mid-December. Also supporting sentiment, the Chinese government began to ease the zero-Covid policy that had weighed on global economic growth for much of 2022. Stocks retreated somewhat into year-end as investors focused on the impact of higher rates on economic growth and corporate earnings in the coming year.

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: 1.18%, Net: 1.10% / Institutional Class—Gross: 1.43%, Net: 0.99%. The Advisor has contractually agreed to limit certain expenses to 1.10% for the Investor Class and 0.95% for the Institutional Class through at least 1/31/2023.***

Against this backdrop, the Wasatch Global Value Fund—Investor Class returned 17.03% in the fourth quarter of 2022, outperforming the MSCI AC (All Country) World Value Index which returned 14.21%. For 2022, the Fund posted a slight gain of 0.02% compared to a -7.55% loss for the benchmark.

All 11 sectors within the Index had positive returns for the quarter, with contributions to benchmark performance led by the financials, energy, consumer-staples and health-care sectors. Contributions to the Fund's performance were led by our selections within financials, followed by energy and consumer staples. Our holdings in industrials delivered positive performance but underperformed their benchmark counterparts. Geographically, contribution highlights came from the Fund's positioning in France, Korea, Germany and the Netherlands, while our smaller portfolio weights in Taiwan and Japan underperformed. We kept the Fund balanced geographically, with approximately 50% exposed to U.S. equities and the other 50% to international stocks spread across ten countries.

DETAILS OF THE QUARTER

Leading contributors to performance included French integrated energy company TotalEnergies SE. As its name suggests, the company's businesses cover the entire oil and gas supply chain, from exploration and production to refining to power generation. The energy sector broadly outperformed based on continued oil price strength and the quarter's overall "risk-on" environment. In addition, TotalEnergies posted an earnings beat driven by attractive refining margins and Europe's elevated power generation prices amid the Russia-Ukraine war.

Dutch multinational bank ING Groep NV, ADR was another leading contributor. Sentiment with respect to banks has benefited from higher net interest margins with the rise in interest rates. In addition, earnings for ING surprised on the upside, while credit guidance and loss provisions remained in line with or better than expectations despite concerns that high inflation and interest rates are taking a toll on consumers. ING also implemented a major share buyback program in 2022, on top of paying a special dividend.

Within health care, biopharmaceutical company Gilead Sciences, Inc. (GILD) also performed well. The biggest factor in the stock's outperformance was that Gilead posted a large earnings beat driven by its Covid-19 treatment, Veklury, due to an upsurge in hospitalizations related to the virus. In addition, sales have been strong for Gilead's HIV treatment while its treatment for Chronic Hepatitis B received approval for pediatric use in the quarter. We continue to like the stock as the company's clinical-trial pipeline has continued to show promise while it has limited exposure to drugs coming off patent.

On the downside, Facebook parent Meta Platforms, Inc. (META) was a leading laggard in the quarter. While third-quarter revenues and earnings results were mixed, the market was caught off guard by guidance with respect to its capital expenditures. Meta has been investing heavily in product development related to virtual reality, losing billions of dollars on a quarterly basis on an initiative not expected to become profitable for some years out. This is despite a deteriorating backdrop in a slowing economy with respect to digital-advertising spending, the company's main source of revenue. Management had previously signaled that it was prepared to curtail investment in its Reality Labs segment in 2023, pending an improved operating environment for Meta's core platform, but reversed course with its third-quarter guidance. We exited the position.

South Korean casino operator Kangwon Land, Inc. posted a positive return but underperformed the benchmark slightly. The company's casino activity had largely closed the gap relative to pre-pandemic levels but was negatively impacted in the quarter by a resurgence of Covid-19. In addition, the company's capital investment in preparation for a rebound in traffic has weighed on results. Finally, the casino is supposed to open only to citizens of South Korea, and the stock may have experienced some overhang from a government investigation into whether those guidelines have been adequately observed. At worse, we think the investigation will result in minor penalties and won't have a long-term impact on the stock price.

Within financials, shares of Arkansas-based Bank OZK (OZK) lagged the broader banks industry for the quarter. Bank OZK has a strong focus on real-estate and construction lending, which is always a concern for the market during an economic downturn given the cyclical nature of those segments. In addition, the bank provided a higher-than-expected forecast for loan loss provisions. Finally, with the Fed's hiking of short-term interest rates, the bank has had to pay more on deposits in order to fund its lending activities. While we have trimmed the position, we're not overly concerned about the stock as the bank has a strong track record with respect to credit performance and most of its loans are variable rate. *(Current and future holdings are subject to risk.)*

OUTLOOK

We are expecting an earnings recession in 2023, with year-over-year declines in earnings for at least two quarters in a row, as the Fed's interest rate hikes continue to work their way through the economy. This implies the potential for more downside in stocks, as investors who have been hoping for a soft landing trim their expectations and capitulate. As a result, despite the recent market declines, we believe it's still too early to try to get ahead of any market recovery. We would expect to see sentiment rebound as investors begin to anticipate Fed rate cuts.

Given this outlook, we're positioned relatively defensively, with overweights to sectors such as utilities, communication services, consumer staples and health care. We still like energy despite its recent outperformance as the sector remains reasonably valued. Conversely, we're underweight in industrials, information technology, and consumer discretionary, which tend to be more economically sensitive and may carry valuations reflecting high expectations. More broadly, the Fund maintains a strong focus on stable earnings and sound balance sheets within our value universe, along with above-average dividend yields.

As always, we'll continue to adhere to our discipline in selecting stocks regardless of the short-term direction of the markets in response to a shifting macroeconomic and geopolitical backdrop.

Thank you for the opportunity to manage your assets.

Sincerely,

David Powers

AVERAGE ANNUAL TOTAL RETURNS

FOR PERIODS ENDED DECEMBER 31, 2022

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Value Fund—Investor	17.03%	0.02%	8.48%	7.18%	8.99%
Global Value Fund—Institutional	17.06%	0.15%	8.65%	7.34%	9.14%
MSCI AC (All Country) World Value Index**	14.21%	-7.55%	3.30%	3.47%	6.42%
MSCI AC World Index†	9.76%	-18.36%	4.00%	5.23%	7.98%

**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 returns 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—Gross: 1.18%, Net: 1.10% / Institutional Class—Gross: 1.43%, Net: 0.95%**

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 1.10% 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.

Investments in value stocks can perform differently from the market as a whole and other types of stocks and can continue to be undervalued by the market for long periods of time. Loss of principal is a risk of investing.

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.

WASATCH GLOBAL INVESTORS

***The MSCI AC (All Country) Value Index captures large- and mid-cap securities exhibiting overall value style characteristics across 23 developed-market countries and 24 emerging-market countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.*

†The MSCI AC World Index captures large- and mid-cap representation across 23 developed-market and 24 emerging-market countries. The Index covers approximately 85% of the global investable equity opportunity set.

Indexes are unmanaged. Investors cannot invest directly in these or any indexes.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

CFA® is a trademark owned by the CFA Institute.

The Wasatch Global Value Fund's investment objectives are to seek capital appreciation and income.

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 VALUE FUND — TOP 10 HOLDINGS

AS OF SEPTEMBER 30, 2022

Security Name	Percent of Net Assets
Johnson & Johnson	5.7%
Verizon Communications, Inc.	4.7%
TotalEnergies SE	4.5%
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	4.3%
KT&G Corp.	4.1%
Bristol-Myers Squibb Co.	4.0%
Duke Energy Corp.	3.8%
Union Pacific Corp.	3.6%
Novartis AG	3.5%
EOG Resources, Inc.	3.5%
Total	41.7%

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.