WASATCH GLOBAL INVESTORS

Quarterly Commentary

Investor WAGOX / Institutional WIGOX

Wasatch Global Opportunities Fund

JUNE 30, 2023

Global Equities Notched Gains in the Second Quarter, And the Fund Outperformed Its Benchmark

OVERVIEW

For the second quarter of 2023, the Wasatch Global Opportunities Fund—Investor Class was up 7.57%, outperforming the benchmark MSCI AC (All Country) World Small Cap Index, which was up 3.62%.

While global equities notched moderate gains during the period, macroeconomic data was mixed and continued to weigh on stocks.

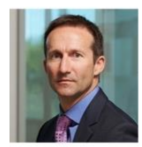
During the period, new data showed the European Union experienced its second quarter of economic contraction in the winter months, and economic data following China's reopening came in softer than many forecasters expected. However, a string of positive U.S. data released in June eased recession fears and helped lift global equities toward the end of the quarter.

On a geographic basis, stock selection in the United States and United Kingdom contributed most to the Fund's performance relative to its benchmark, as did its overweight to India. However, stock selection in Japan and Taiwan detracted from relative performance.

FUND MANAGERS

JB Taylor
Lead Portfolio Manager
12 YEARS ON FUND / 27 YEARS AT WASATCH

Ajay Krishnan, CFA
Lead Portfolio Manager
11 YEARS ON FUND / 28 YEARS AT WASATCH



Ken Applegate, CFA, CMT
Portfolio Manager
4 YEARS ON FUND / 9 YEARS AT WASATCH

Paul Lambert
Portfolio Manager
4 YEARS ON FUND / 23 YEARS AT WASATCH

Data show past performance, which 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 do not reflect this redemption fee or taxes. ***Total Expense Ratio: Investor Class—1.50% / Institutional Class—Gross 1.38%, 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 1/31/2024.***

At the sector level, stock selection in the health-care and financials sectors contributed most to relative performance, while stock selection in the industrials and information-technology (IT) sectors detracted from relative results.

DETAILS OF THE QUARTER

One of the largest contributors to Fund performance for the quarter was Abcam PLC. The stock of the British health-care company was up substantially after its board announced it would explore a sale of the company. We sold out of the position after the news. While Abcam owns some phenomenal assets, executional missteps had already made us question our investment thesis.

Trex Co., Inc. (TREX) was another top contributor. The company manufactures high-performance composite (non-wood) decking and accessories. Signs that the U.S. homebuilding market is finally rebounding were a source of strength for the stock. While Trex would benefit from an increase in homebuilding activity, we believe there are other demand drivers for its products. In short, we believe the company will continue to take market share in composite decking and from traditional suppliers of wood products, which have shorter lifespans and require extra upkeep compared to composites.

Another significant contributor was Saia, Inc. (SAIA). The U.S. transport company creates efficiencies by combining goods—from multiple shippers—that alone would fill "less than a full truckload." The stock was up after the company reported quarterly earnings that topped consensus estimates. We've been impressed by the company's ability to boost pricing, which has helped compensate for a softer freight environment in recent months. Over the long term, we think Saia is well-positioned to continue taking market share and commanding higher prices that are more commensurate with its top-tier service levels.

BayCurrent Consulting, Inc., a Japan-based business-management and IT consultant, was one of the Fund's largest detractors from performance during the quarter. Concerns about the technology spending environment weighed on the stock, but there has been no slowdown in BayCurrent's business. The firm grew revenues by 32% in its most recently reported quarter. Demand for digital-transformation projects, a key area of focus for BayCurrent, continues to be strong in Japan. Many Japanese businesses have found themselves behind the curve when it comes to digitalization and are now using ample cash on their balance sheets to spend on large-scale digital projects to catch up. We believe BayCurrent will continue to be a prime beneficiary of this trend, as it enjoys a home-country advantage over global competitors when it comes to working with Japanese businesses.

Melexis NV also detracted from performance. The Belgium-based company designs and develops integrated circuits for automotive electronics systems. The company's quarterly earnings were actually better than we expected and stronger than what we're seeing from other semiconductor companies tied to the automotive supply chain. However, Melexis had prepaid some of its suppliers for inventory to make sure it could meet customer demands amid prior supply-chain disruptions. Given the current economic uncertainty, investors have raised concerns over whether Melexis will be holding too much inventory if a downturn occurs. If so, we view this as a short-term hiccup. We still like Melexis and believe it will experience strong, structural growth as a prime beneficiary of automobile electrification.

Another large detractor was Endava PLC, a British IT-services company. Here too, cyclical concerns weighed on the stock after Endava lowered its guidance, anticipating a temporary slowdown in IT spending globally. The drop in the stock price created an attractive buying opportunity, and we added to our position. While revenue growth could be slower in the next few quarters, Endava is tied to powerful long-term secular growth trends. The firm specializes in digital-transformation consulting, agile software development and various automation solutions. Digital transformation will continue to be a business imperative for most firms over the next several years, and we believe Endava will play a critical role in helping many companies pivot their operations. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

As we've noted in prior commentaries, the macroeconomic environment is shrouded in uncertainty. Central banks in developed markets are likely in the latter innings of hiking interest rates, but no one knows how strong or weak each economy will emerge from tighter monetary policies.

The lack of clarity makes it hard to pinpoint when markets will fully recover from last year's selloff. However, we've been pleased with how well the fundamentals for our companies have held up in this environment. Aside from some of the more economically sensitive companies, earnings and revenue growth of the Fund's holdings have remained intact. And we've done a lot of due diligence on each of our holdings in recent months to make sure the fundamental growth thesis underpinning each stock remains in place. By and large, our conviction holds, which is why our positioning hasn't changed much.

In terms of that positioning, our weighting to U.S. companies—the largest geographic allocation within the portfolio—remains in line with prior quarters. Within the country, small-cap valuations appear much more attractive than large-caps. We believe relatively attractive valuations could set the stage for a small-cap rally when the economic picture is clearer.

Outside of the U.S., our largest weight in developed markets remains in Japan. Investment team members spent two weeks in the country, visiting more than 50 companies in March. A key takeaway was that Japan is only beginning to experience the post-pandemic economic recovery that other developed-market economies have already enjoyed. Japan was much slower to ease social restrictions and didn't lift Covid-related border control measures until April of this year. On our team's visit, executives from some of the Fund's current holdings reported accelerated demand for products and services as Japan reopens. Their comments have been backed up in recent months by large, global IT companies, who have reported that Japan is one of few areas of the world experiencing strong demand.

In emerging markets, our largest weight remains in India. Members of our emerging-markets team just returned from the country in June, noting that sentiment on the ground seemed high. Even management teams that have historically been more conservative were positive about the country's economic outlook. The team came back with increased conviction in the growth potential of some of the Fund's current holdings and found several investment ideas that may make their way into the portfolio.

In short, we continue to be excited about the growth potential of the companies we invest in around the world. After a valuation reset in 2022, we really like the return potential of our stocks over the next three to five years.

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 JUNE 30, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Opportunities Fund—Investor	7.57%	15.24%	8.41%	8.09%	9.61%
Global Opportunities Fund—Institutional	7.49%	15.39%	8.56%	8.29%	9.74%
MSCI AC World Small Cap Index**	3.62%	13.02%	10.83%	4.53%	7.62%

**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 1/31/2024.** 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 do 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 markets, entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus.

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

***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.*

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

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

Revenue growth is the increase in a company's revenues over a specified period of time, not necessarily one year.

GLOBAL OPPORTUNITIES FUND — TOP HOLDINGS

AS OF MARCH 31, 2023

Security Name	Percent of Net Assets
BayCurrent Consulting, Inc.	5.8%
AU Small Finance Bank Ltd.	3.9%
Ensign Group, Inc.	3.7%
Five Below, Inc.	3.1%
HealthEquity, Inc.	3.1%
Globant SA	2.9%
Abcam PLC	2.8%
Voltronic Power Technology Corp.	2.7%
Silergy Corp.	2.6%
Saia, Inc.	2.4%
Total	33.0%

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.