WASATCH GLOBAL INVESTORS

Quarterly Commentary

Investor WAGOX / Institutional WIGOX

Wasatch Global Opportunities Fund

SEPTEMBER 30, 2023

The Stage May Be Set for High-Quality Growth Companies to Distinguish Themselves

OVERVIEW

For the third quarter of 2023, the Wasatch Global Opportunities Fund—Investor Class was down -6.03%, underperforming the benchmark MSCI AC (All Country) World Small Cap Index, which lost -3.41%.

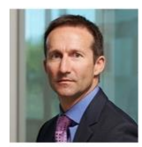
After rallying for much of 2023, global equity markets cooled in the third quarter. Concerns about a weak economy in China and sticky inflation data in Europe both weighed on equity markets during the period. Additionally, stocks came under pressure after central banks indicated they may need to leave interest rates elevated for longer than previously anticipated.

During the quarter, the Fund's holdings in the financials sector were its largest source of underperformance relative to the benchmark. The Fund's lack of exposure to the energy sector also detracted from relative results. However, our holdings in the health-care and information-technology (IT) sectors contributed to relative results.

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 / 29 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

The performance data quoted represents past performance. Past performance does not guarantee future results. 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. The performance data does 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.***

On a geographic basis, the Fund's holdings in Japan and Taiwan detracted most from relative performance. However, the Fund's holdings in the United States and an overweight to India contributed to relative results.

DETAILS OF THE QUARTER

The largest detractor from the Fund's performance during the quarter was Silk Road Medical, Inc. (SILK). The U.S. company provides medical devices used in its minimally invasive procedure (called Transcarotid Artery Revascularization, or TCAR) to treat blockages in the carotid artery. Silk Road's stock price fell sharply in July after the Centers for Medicare & Medicaid Services (CMS) issued a proposed coverage decision placing traditional carotid stenting at the same reimbursement level as TCAR. The concern is that CMS support for the competitive method could hurt Silk Road's revenues.

We think investors have overreacted. Although CMS has leveled the playing field on reimbursement, we believe outcomes—not reimbursements—will factor more into the competition. Silk Road's innovative system to reverse blood flow during TCAR directs any stroke-causing material away from the brain and into a filter, resulting in less periprocedural stroke than traditional stenting. Over time, we expect TCAR to continue to take market share from open carotid surgery and become the new standard of care for treating carotid-artery disease—something traditional stenting hasn't accomplished since it was introduced in the 1990s.

Another detractor was Voltronic Power Technology Corp. A Taiwanese company, Voltronic designs and manufactures power products that include uninterruptible power supplies and inverters. Earnings growth slowed to 3.3% in the company's most recent quarter as revenues declined -18.1% versus the same quarter a year ago. Management cited drop-offs in demand from Italy and South Africa. Customer inventory drawdowns of uninterruptible power supplies also crimped revenues. Although Voltronic has lowered its near-term guidance, the company's long-term prospects remain attractive in our view.

GMO Payment Gateway, Inc. was another detractor. The Japan-based company provides credit card transaction services for e-commerce firms. GMO's stock was down after its management team suggested that as the company becomes a more strategic payment partner to larger companies, its growth rate could become more volatile from period to period, though we believe it should still achieve its mid-term target of a 25% earnings growth rate. We were less concerned about the guidance. As GMO expands its value proposition and works on bigger projects, we're not surprised to see the growth follow a less linear path. We also believe that as GMO grows, it wouldn't be surprising if the company adjusts its long-term profit growth target to a 20% compound annual growth rate—or slightly higher. That growth is still impressive, in our view.

HealthEquity Inc. (HQY) was the top contributor to Fund performance in the third quarter. The company is the largest U.S. non-bank custodian for health-savings accounts (HSAs). HealthEquity benefits from higher interest rates because higher rates mean it earns more from reinvesting the cash sitting in customers' HSA accounts. Investors' shifting view that the Federal Reserve will have to leave interest rates higher for longer likely boosted the stock this quarter, but we don't own the company based on a forecast of interest rates. Instead, we anticipate significant long-term growth for HealthEquity as more employers offer HSAs to attract employees.

Another top 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." News that a competing trucking company was shutting down operations and filing for bankruptcy was a catalyst for the stock as investors foresaw possible increased demand for Saia's services. Our views on the company remain unchanged. We like this segment of the transport industry because it's less fragmented and commoditized, which gives Saia pricing power even when trucking volumes are down. Over the long term, we think Saia's specialized logistics capabilities will continue to be in especially high demand.

Globant SA also contributed. The stock of the global IT consulting firm was up sharply after the company announced quarterly results, which included better-than-expected revenue growth of 16%. Management also said it expects 19% revenue growth in the third quarter, which was ahead of consensus expectations. Globant has been a volatile stock in recent quarters, but we continue to take a long-term view of the company. We believe Globant will play an important role in helping businesses stay relevant in a fast-innovating digital age. In the years ahead, we expect strong demand for its services as businesses spend to keep up with digitalization. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

In many ways, the third-quarter market environment seemed similar to 2022, though less severe. As central banks indicated they will likely keep interest rates higher for longer, bond yields rose, and global equities lost ground. Also mirroring 2022, value stocks outperformed growth stocks, large-cap stocks outperformed small-caps, and the energy sector was one of the few bright spots within equity markets.

These trends were headwinds to our relative performance in the third quarter. But we think the stage is being set to favor the types of high-quality growth companies we typically invest in.

While uncertainty remains about just how long the Federal Reserve and other central banks will keep rates high, we believe we're near the top of the interest-rate cycle. That being the case, we don't expect a large valuation reset for growth stocks. Instead, we think investors' attention may turn to companies that can thrive in a higher-for-longer interest-rate environment. It will be a difficult landscape for many businesses to navigate.

In just a little over a year's time, the cost of capital for businesses has increased substantially. Companies that had relied on inexpensive debt to fund their growth initiatives in previous years may have to pare back on those plans now. Meanwhile, as central banks leave interest rates at current levels, or even slightly higher, the risk of a global recession only increases. That would be a headwind to corporate earnings for almost any company, but particularly those with cyclical business models.

We believe an environment of slower growth and rising capital costs should favor the types of high-quality growth companies that Wasatch seeks. Our investment process focuses on firms with strong balance sheets, low levels of debt and a steady history of earnings growth and cash flow generation. These self-funded businesses can continue to carry out their growth plans and take market share during difficult periods that may force their competitors to retrench.

In a higher-for-longer rate regime that creates operating headwinds for many businesses, we expect the market to reward the stocks of the select companies that can grow through that cycle. And we feel very good about our companies' ability to do that.

Thank you for the opportunity to manage your assets.

Sincerely,

JB Taylor, Ajay Krishnan, Ken Applegate and Paul Lambert

TOTAL RETURNS

FOR PERIODS ENDED SEPTEMBER 30, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Opportunities Fund—Investor	-6.03%	12.76%	2.54%	6.02%	7.92%
Global Opportunities Fund—Institutional	-5.97%	12.94%	2.72%	6.17%	8.05%
MSCI AC World Small Cap Index**	-3.41%	15.24%	6.81%	3.53%	6.16%

**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. The 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 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.

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.

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.

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

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

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

GLOBAL OPPORTUNITIES FUND — TOP HOLDINGS

AS OF JUNE 30, 2023

Security Name		Percent of Net Assets
AU Small Finance Bank Ltd.		4.7%
BayCurrent Consulting, Inc.		4.4%
Ensign Group, Inc.		3.4%
HealthEquity, Inc.		3.1%
Globant SA		3.0%
Saia, Inc.		2.8%
Voltronic Power Technology Corp.		2.8%
Trex Co., Inc.		2.8%
Five Below, Inc.		2.7%
Medpace Holdings, Inc.		2.6%
	Total	32.3%

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.