WASATCH GLOBAL INVESTORS

Quarterly Commentary

Investor WAGOX / Institutional WIGOX

Wasatch Global Opportunities Fund

MARCH 31, 2024

While The Macroeconomic Outlook Is Murky, We Feel Good About the Earnings Potential of Our Companies

OVERVIEW

For the first quarter of 2024, the Wasatch Global Opportunities Fund—Investor Class was down -0.69%, underperforming the benchmark MSCI AC (All Country) World Small Cap Index, which was up 3.91%.

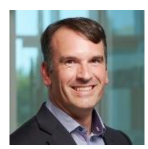
At the sector level, the Fund's stock selection in the information-technology (IT) and financials sectors detracted most from its performance relative to the benchmark. Meanwhile, the Fund's holdings in the health-care and consumer-staples sectors contributed most to relative performance.

On a geographic basis, our holdings in Japan, India and Taiwan underperformed the benchmark and detracted from relative performance. Conversely, our holdings in Israel and the United States contributed to the Fund's relative results.

FUND MANAGERS

Ajay Krishnan, CFA
Lead Portfolio Manager
12 YEARS ON FUND / 29 YEARS AT WASATCH

Paul Lambert
Lead Portfolio Manager
5 YEARS ON FUND / 24 YEARS AT WASATCH



Ryan Snow
Portfolio Manager
<1 YEARS ON FUND / 24 YEARS AT WASATCH

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

JB Taylor
Portfolio Manager
12 YEARS ON FUND / 27 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 1.40%, Net 1.36%. 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 1/31/2025.***

DETAILS OF THE QUARTER

One of the largest detractors from Fund performance during the quarter was Endava PLC. The British IT-services company provides digital-transformation consulting, agile software development and various automation solutions to businesses. The stock was down after Endava lowered revenue guidance for the rest of its fiscal year. Although there were signs in late 2023 that spending on IT consulting was beginning to recover, Endava and many of its competitors have indicated that spending continues to be pushed back. According to Endava and other industry participants, companies have budgeted for large-scale IT projects that require consultants, but given the uncertain economic environment, they're pausing some projects. While the recovery in spending may have been pushed back a little, Endava is still a company we want to own for the long term. Endava invested in its business during the downturn, which we think should better position it against competitors as spending on large-scale IT projects recovers. Over the long term, digital transformation remains a business imperative for most firms, and we believe Endava will play a critical role in helping many firms pivot their operations.

BayCurrent Consulting, Inc. was another detractor. Like Endava, BayCurrent provides IT consulting services and is focused on digital transformation. Japan hasn't experienced the slowdown in IT spending that is occurring in much of the world, largely because the country's businesses are behind when it comes to digitalization and are now spending to catch up. However, BayCurrent's recently reported net profit margins were lower than expected, which weighed on the stock.

While the stock price was down, we believe our long-term thesis on BayCurrent remains intact. Demand for IT consulting services remains high in Japan. And BayCurrent's position within the market remains strong, in our view. But with demand growing and the labor market for IT professionals remaining tight, BayCurrent has had to hire less-experienced consultants to help grow the business. Having less experience, these professionals require training and have a longer ramp-up period. We reduced our position size in recent months due to our concerns about staffing. However, we now see signs that the labor market for top IT talent may finally be improving. On our most recent trip to Japan, we found that some of BayCurrent's larger global competitors have been shedding talent to cut costs. We wouldn't be surprised if BayCurrent scooped up some of the more talented professionals.

SMS Co. Ltd. also detracted. The Japan-based company provides medical care, nursing care and other life services for the elderly. There was no change in fundamentals driving the stock lower during the quarter. We believe the stock simply gave back some of its gains from the fourth quarter. We continue to like the company. In our view, SMS provides valuable labor liquidity in a medical- and elder-care career market that remains in structural deficit. In addition, SMS has gone through a significant investment cycle, hiring more health-care professionals, and we believe the company will see revenue and earnings growth from those hires this year.

Saia, Inc. (SAIA) was the top contributor to Fund performance. The U.S. transport company creates efficiencies by combining goods from multiple shippers that alone would fill less than a full truckload. The company has continued to produce strong operating results, and the stock has responded accordingly. Our views on Saia 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. However, we trimmed the position size after substantial gains in the stock price in recent months.

Medpace Holdings, Inc. (MEDP) was also a meaningful contributor. The company is a contract research organization (CRO) supplying clinical development services to small biotechnology businesses. Medpace continues to post strong revenue and earnings growth as it provides critical services for its customers. The stock also benefited in the quarter from optimism that lower rates will help biotech companies more easily secure muchneeded funding for future clinical development. Although Medpace isn't a traditional biotech company, we believe it gives us some exposure to the industry without the typically poor cash flows of biotech businesses. Moreover, Medpace has continued to defy the skeptics by generally maintaining strong growth (often in double digits) and healthy fundamentals for years on end—even during several periods when biotech businesses have struggled.

Another substantial contributor was HealthEquity, Inc. (HQY), the largest U.S. non-bank custodian for health savings accounts (HSAs). Along with their primary business of offering HSAs, the company facilitates employer-sponsored lifestyle and commuter benefits. The stock was down late last year because investors were expecting an environment of lower interest rates that would cause the company to earn less income from money held on deposit for customers. Our analysis gives us visibility into HealthEquity's long-term earnings-growth potential, which we believe will remain strong for years to come. This insight gave us confidence to add to our position when the stock-price dropped. During the first quarter, the stock climbed based on strong revenue and earnings growth—and we think the company's annual growth rates will stay in the double digits for the next several years. *(Current and future holdings are subject to risk and change.)*

OUTLOOK

With several macroeconomic and geopolitical events still unfolding, it's difficult to have a clear outlook for global equity markets in the near term. Geopolitical tensions remain high, with wars in Europe and the Middle East. And as we've said in prior commentaries, an unusually busy election year adds to geopolitical uncertainty.

On the economic front, mixed data across different regions and countries makes it challenging to predict how the global economy might emerge from a period of severe monetary tightening. It's also hard to predict when, exactly, central banks might cut interest rates. If rate cuts are pushed back further than markets currently expect, this could be another source of volatility in the coming months.

We freely acknowledge that while we pay attention to geopolitical and macroeconomic news, our specialty doesn't lie in predicting what comes next. We place much more emphasis on predicting the long-term earnings growth of our companies, and we predict that growth over years, not months. In this regard, we feel good about what lies ahead. For the most part, our companies reported strong operating results for the fourth quarter of 2023. And our projections are generally for double-digit growth rates in calendar year 2024. Based on these projections and the reasonable valuations we're finding, we're optimistic regarding investment performance going forward.

In recent months, we haven't made major changes to our portfolio. But at the margins, we've trimmed the position sizes of some of our top-performing U.S. holdings, which enjoyed strong performance in recent months, and put that capital into international markets where valuations appear a little more attractive.

One of the international markets we find most attractive right now is Japan. Our recent two-week trip to the country bolstered our views about the companies we own. The trip also reinforced some of our views about why Japan has become a country ripe with investment opportunity.

A primary reason we feel good about our holdings in Japan is that underlying earnings trends remain strong. Despite that growth, many of our Japanese stocks still have relatively attractive valuations and are trading at levels rarely seen in the last decade.

Business conditions in Japan also remain favorable. A key observation from our Japan trip is that after decades of deflationary pressures, inflation appears embedded in the Japanese economy. In recent years, companies have been affected by rising costs, particularly wage inflation. But businesses had challenges raising prices enough to offset those costs. Finally, we're seeing more businesses able to pass through those higher costs via higher prices for goods and services.

Additionally, we continue to see signs that companies in Japan are becoming more shareholder-friendly. This is a theme we've discussed a few times over the years, but in short, when Shinzo Abe was elected prime minister a decade ago, he introduced a series of policies and structural reforms aimed at reviving Japan's economy. One of the broad policy goals was to improve corporate governance and business competitiveness. Change occurred with just a small number of dynamic companies at first, but with each visit we've seen an increasing number of companies that are doing more for shareholders.

On this latest trip, one change we saw was that quite a few firms had their own interpreter, which used to be rare for a small-cap company. More than 80% of the companies we recently met had materials presented in English. This is in stark contrast to years ago when companies had no presentation at all—much less English disclosures.

Finally, we were encouraged to see Japanese businesses innovating and adapting. For example, amid wage inflation, greater labor mobility and a general war for talent among firms, employee attrition rates are increasing. At first, businesses responded by hiring more graduates, but this practice has become mainstream. Now we're seeing the better companies get creative. Innovative companies are improving training, engagement and incentivization of their employees. For example, on the training front, one company we visited had designed an online workflow tool to help employees collaborate and share best practices. Other companies are finding ways to improve the work-life balance of employees instead of grinding them down. These concepts wouldn't seem new everywhere, but they're new in Japan, where corporate culture has always been more rigid.

Given the positives we see in Japan broadly—and our companies specifically—we believe our Japanese holdings will be a source of relative outperformance over the long term.

Thank you for the opportunity to manage your assets.

Sincerely,

Ajay Krishnan, Paul Lambert, Ryan Snow, Ken Applegate and JB Taylor

TOTAL RETURNS

FOR PERIODS ENDED MARCH 31, 2024

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Opportunities Fund—Investor	-0.69%	17.30%	-1.36%	9.81%	9.11%
Global Opportunities Fund—Institutional	-0.68%	17.38%	-1.18%	9.99%	9.26%
MSCI AC World Small Cap Index**	3.91%	16.46%	1.62%	8.00%	6.77%

**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 1/31/2025.** 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.

Free cash flow is a measure of a company's financial health. It represents the cash a company generates after accounting for cash outflows that support operations and maintain capital assets.

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 DECEMBER 31, 2023

Security Name		Percent of Net Assets
Globant SA		3.6%
AU Small Finance Bank Ltd.		3.5%
RBC Bearings, Inc.		3.1%
Voltronic Power Technology Corp.		2.9%
Trex Co., Inc.		2.9%
Ensign Group, Inc.		2.8%
Five Below, Inc.		2.8%
HealthEquity, Inc.		2.7%
BayCurrent Consulting, Inc.		2.7%
Persistent Systems Ltd.		2.7%
	Total	29.7%

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.