WASATCH GLOBAL INVESTORS

Quarterly Commentary

Investor WAGSX / Institutional WGGSX

Wasatch Global Select Fund

MARCH 31, 2023

The Fund Outperformed Its Benchmark in a Volatile Period for Global Equities

OVERVIEW

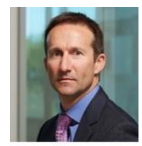
For the first quarter of 2023, the Wasatch Global Select Fund—Investor Class gained 9.68%, outperforming the benchmark MSCI AC (All Country) World Index, which was up 7.31%.

Global equities notched gains for the period but were volatile. Stocks started the year on an upswing, but signs of persistent inflation began to weigh on equity markets in February. Volatility continued in March after a few high-profile bank failures led to concerns about the industry.

On a geographic basis, the Fund's stock selections in the U.S. and Japan were large contributors to its outperformance of the benchmark. Conversely, an overweight to India and stock selection in the U.K. detracted from relative performance.

At the sector level, stock selection in the industrials and consumer discretionary sectors aided relative performance. However, stock selection within the information-technology (IT) sector detracted from relative results.

FUND MANAGERS



Ken Applegate, CFA, CMT
Portfolio Manager

3 YEARS ON FUND / 8 YEARS AT WASATCH

Paul Lambert
Portfolio Manager

3 YEARS ON FUND / 23 YEARS AT WASATCH

Linda Lasater, CFA
Portfolio Manager

3 YEARS ON FUND / 16 YEARS AT WASATCH

Mike Valentine
Portfolio Manager

3 YEARS ON FUND / 6 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 2.35%, Net 1.35% / Institutional Class—Gross 1.53%, 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 1/31/2024.***

DETAILS OF THE QUARTER

The most significant contributor to the Fund's performance during the quarter was BayCurrent Consulting, Inc., a Japan-based business management and information-technology (IT) consultant. Demand for digital transformation projects, a key area of focus for BayCurrent, continues to be strong, which has helped lift the company's stock in recent months. Margins for the business also remain strong after management successfully pushed through price increases to offset rising wages. Such results indicate that our thesis on the company continues to play out. Japan is behind many countries when it comes to digitalization. The pandemic and work-from-home environment underscored its need to catch up. As Japanese enterprises undertake large-scale digitalization projects, we believe domestic IT consultants such as BayCurrent have a strong home-country advantage relative to global consulting firms.

MercadoLibre, Inc. was another large contributor during the quarter. The U.S.-traded company, headquartered in Uruguay, operates an online e-commerce, payments, and credit system in 18 Latin American countries. It has been called "the Amazon of Latin America" due to its leadership in the region's fast-growing online marketplace. MercadoLibre has experienced considerable growth this year, with fourth-quarter revenue up 56.5% from the same period last year and operating income jumping from $24 million to $349 million. MercadoLibre also benefitted as an important rival in Brazil was engulfed in an accounting scandal that led to the departure of its CEO and CFO.

Another stock with strong returns was Amadeus IT Group SA. The company provides a range of IT solutions to the travel and hospitality industries, and its stock has been up as international air-traffic volumes recover after the pandemic. Going forward, we believe both the airline and hospitality industries will be under pressure to increase efficiency. Companies in these industries also need to differentiate themselves through better convenience and service to their customers. We believe Amadeus' technology solutions will play a vital role in achieving these aims.

The largest detractor from Fund performance was DiaSorin SpA, an Italian health-diagnostics company. The company benefited from heightened demand for its tests used to detect Covid-19. Now that the world is past the height of the pandemic, DiaSorin needs to offset the decline in Covid-19 tests with other diagnostics. This has weighed on the stock recently, but we still like DiaSorin's long-term growth potential and recurring-revenue operating model. The company is a leader in specialty disease testing in Europe, and we believe an acquisition it made in 2021 positions the company to take share in the U.S. disease-testing market.

Abcam PLC was another detractor. The stock of the British health-care company was down after it reported annual revenue that was below consensus expectations, due in part to the implementation of a new enterprise resource planning (ERP) system, an undertaking that caused an order backlog in September and October. Covid-19 restrictions also reduced the company's revenues from China. While these were near-term setbacks, we don't believe anything has structurally changed for the firm. Abcam provides biological reagents and tools that are essential to a wide range of fields, including drug discovery, diagnostics and basic research. We expect high demand for these products as health-care innovation pushes forward. In addition, we believe profit margins will expand after an extended period of investment for the firm.

Another detractor during the month was Bank OZK (OZK), more commonly known as Bank of the Ozarks. Bank shares sold off broadly after the failure of a few U.S. banks in early March. However, as we share more in our outlook, we feel good about Bank OZK's fundamentals and think its risk profile is quite different from the banks that failed. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

So far, central banks have ring-fenced banking industry turmoil, limiting the damage to just a few troubled institutions. Officials' quick and sometimes innovative actions suggest they will be proactive in stemming further financial contagion. But as of this commentary's publication, regulators have also stopped short of guaranteeing deposits at any future failed banks or, in the U.S., raising the FDIC-insured deposit limit above its current threshold.

Actions to date make it hard to predict whether more bank failures will occur or how severe the fallout from those failures would be. What we can say, however, is that we feel good about the prospects of the banks we do hold.

Within our portfolio, we own just two banks. Our U.S. institution, Bank OZK (OZK), has a risk profile that's quite different from the banks that have failed. Bank OZK has a large portion of retail customers whose deposits are FDIC-insured, which should make deposits stickier. It also has a diversified mix of business clients. This is an important distinction, as some of the U.S. banks that collapsed had a heavy customer concentration of technology firms and executives. This made a run on those banks more likely as concerns about the bank spread among the same circle of people.

Perhaps most important, Bank OZK is conservatively managed and has a relatively small securities portfolio. Conversely, some of the failed banks had relatively large securities portfolios to support their deposit base and ran into trouble when they had to sell those securities at a loss to redeem fleeting deposits.

For our one emerging-market institution, Indian financial HDFC Bank Ltd., operating in an emerging market means the management team is used to navigating a volatile interest-rate environment. As such, the bank has an asset-liability management structure well-suited for fluctuating interest rates. Further, HDFC Bank has withstood multiple crises and more recently a severe liquidity crisis in India in 2018, which presented a different set of circumstances but was arguably a more challenging crisis than what developed market banks face today.

While we feel good about our bank holdings, we continue to think about the knock-on effects of banking turmoil. Already, at least two things seem certain. First, trouble for banks will be another drag on economic growth. Some experts estimate that slower loan growth from U.S. banks will have the same effect as a 0.75% rate hike from the Federal Reserve. We believe this is tough to quantify, but slower loan growth would be a headwind that comes after the money supply has already collapsed dramatically, and as large layoffs are occurring at many higher-paying employers.

A second knock-on effect is that the cost of capital for businesses is poised to increase. Rising interest rates already increased capital costs considerably in 2022. If banks raise lending rates to offset increases in their deposit interest rates or become more selective in the customers they lend to, capital costs could increase even further.

We believe an environment of slower growth and rising capital costs should favor the types of high-quality companies that Wasatch invests in. We've mentioned it in recent commentaries, but 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 at a time when weaker competitors are forced to pare back.

While the coming months could be more difficult from a broad, macroeconomic perspective, we see it as an environment in which high-quality companies can expand their competitive moat. We believe this should set them up for better growth in the years to come.

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 MARCH 31, 2023

	Quarter*	1 Year	3 Years	5 Years	Since Inception**
Global Select Fund—Investor	9.68%	-11.73%	9.12%	N/A	4.54%
Global Select Fund—Institutional	9.77%	-11.44%	9.50%	N/A	4.91%
MSCI AC (All Country) World Index†	7.31%	-7.44%	15.36%	N/A	8.15%
MSCI AC (All Country) World Mid Cap Growth Index ††	7.59%	-9.49%	13.48%	N/A	6.49%

**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 1/31/2024.** 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 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 Wasatch Global Select Fund's investment objective is long-term growth of capital.

WASATCH
GLOBAL INVESTORS

†The MSCI AC (All Country) World Index captures large- and mid-cap representation across 23 developed-market and 24 emerging-market countries.

††The MSCI AC (All Country) World Mid Cap Growth Index captures mid-cap securities exhibiting overall growth style characteristics across developed and emerging countries.

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 performance, calculated as operating cash flow minus capital expenditures. It is the cash a company generates after spending the money required to maintain or expand its asset base.

GLOBAL SELECT FUND— TOP 10 HOLDINGS

AS OF DECEMBER 31, 2022

Security Name		Percent of Net Assets
HDFC Bank Ltd.		4.7%
Abcam PLC		4.6%
Roper Technologies, Inc.		4.5%
Copart, Inc.		4.4%
BayCurrent Consulting, Inc.		4.4%
Amphenol Corp. Class A		4.4%
Bajaj Finance Ltd.		4.0%
Bank OZK		4.0%
Old Dominion Freight Line, Inc.		3.9%
Morningstar, Inc.		3.9%
	Total	42.7%

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.