WASATCH GLOBAL INVESTORS

Quarterly Commentary

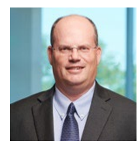
Investor FMIEX / Institutional WILCX

Wasatch Global Value Fund

MARCH 31, 2023

With the Economy Still Vulnerable, the Fund Is Positioned Defensively

FUND MANAGER



David Powers, CFA, CAIA, CPA
Lead Portfolio Manager

9 YEARS ON FUND / 9 YEARS AT WASATCH

OVERVIEW

Global equities finished the first quarter in positive territory despite a variety of challenges. Stock-price gains were largely concentrated during January when risk assets broadly moved higher on hopes that the U.S. Federal Reserve (Fed) and other leading central banks were approaching the end of the current cycle of rate hikes. Risk sentiment waned as the quarter progressed, however, as stubbornly high inflation data suggested that central bankers would likely engage in further policy tightening. March saw the failure of three U.S. banks and the collapse of European financial giant Credit Suisse raise the specter of a banking crisis similar to 2008-2009. Equities rallied into the end of the quarter as investors interpreted the Fed's quarter-point rate hike on March 23 as a signal that the banking-industry issues were manageable. At the same time, investors seemed to bet that these same issues would constrain central banks from implementing significant further rate hikes.

In a reversal of the prevailing trend for most of 2022, value stock indexes significantly lagged their growth counterparts. At the same time, performance leadership was highly concentrated among a relative handful of mega-cap technology stocks viewed as "safe havens" against

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 1.20%, Net 1.10% / Institutional Class—Gross 1.14%, Net 0.95%. 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 1/31/2024.***

a backdrop of heightened uncertainty, given their dominant market positions and strong balance sheets.

The Wasatch Global Value Fund—Investor Class returned 0.34% in the first quarter of 2023, slightly underperforming the MSCI AC (All Country) World Value Index, which returned 1.24%. Our underperformance was driven by outsized weakness in a handful of our holdings and our more defensive positioning in companies that should provide ballast if the economy weakens. Contributors to the Fund's performance relative to the benchmark were led by selection within financials and health care, while selection within consumer discretionary and materials, along with an underweight to information technology, detracted most significantly. From a country perspective, the Fund's U.S. holdings comprised just under half of the portfolio. The Netherlands and France were leading contributors.

DETAILS OF THE QUARTER

The top contributor to Fund performance for the quarter was Koninklijke Ahold Delhaize NV, an operator of supermarket chains across the U.S. and Europe, including well-known U.S. brands Stop & Shop and Giant. Ahold Delhaize is a high-quality company with strong and stable cash flows, making it an attractive holding in an uncertain environment. In addition, the company reported better-than-expected earnings that were supported by its effective mitigation of high inflation on food prices.

BAE Systems PLC, Europe's largest defense contractor and Britain's largest manufacturer, reported strong quarterly sales, earnings and free cash flow. In addition, sentiment with respect to the stock benefited from the mid-March announcement of a trilateral U.S./U.K./Australia submarine-development program. As a leading manufacturer of U.K. nuclear-powered submarines, BAE is expected to be a prime beneficiary of this initiative. More broadly, BAE is positioned to benefit from globally synchronized increases in defense spending for several years to come. Despite the strong stock-price performance in the quarter, we view the company's valuation as remaining discounted relative to its peers.

Eaton Corp. PLC (ETN) manufactures power-management components such as circuit breakers, meters and sensors. Management guidance was better than expected based on a large order backlog, strong pricing power and recovering supply chains. In addition, Eaton's results should be supported for years to come by spending under the Inflation Reduction Act, the building out of the energy grid and the transition to clean energy. Against a backdrop of heightened recession concerns, these factors made Eaton an attractive holding within the highly cyclical industrials sector.

On the downside, an overweight to pharmaceutical company Johnson & Johnson (JNJ), commonly known as "J&J," was the biggest detractor from performance. The company posted mixed quarterly results and also provided relatively cautious forward guidance. More importantly, J&J experienced a legal setback with its efforts to contain the financial impact of litigation concerning an asserted connection between its since-discontinued talcum-based baby powder and ovarian cancer. In late January, a panel of the Third Circuit Court of Appeals rejected J&J's proposal to spin off potentially related liabilities into a new entity, which would then file for bankruptcy. The full Third Circuit affirmed this panel's decision in late March. As a result, the range and scope of potential damages related to this litigation remain highly uncertain. In our view, the worst-case scenarios are unlikely, and in any event, compensation will be paid over an extended period and won't unduly impact J&J's very substantial free cash flow.

South Korean casino operator Kangwon Land, Inc. underperformed due to a significant revenue and earnings miss. Kangwon operates the only casino in Korea that is open to the country's citizens. Results were negatively impacted by a slower-than-expected recovery from Covid-19 that weighed on casino traffic, as well as increased labor costs driven by stepped-up dealer hiring in anticipation of a rebound in conditions. An exacerbating factor in the recent weakness is that many high-rolling, VIP Korean gamblers have become accustomed to frequenting Macau, a special administrative region of China referred to as "The Las Vegas of Asia." Kangwon has a strong balance sheet with virtually no debt, and we added to the position on weakness on the view that the expected recovery is merely delayed.

Kimco Realty Corp. (KIM) posted a shortfall versus expectations with respect to funds from operations and also provided guidance that was a bit soft. REITs borrow heavily to finance property purchases, and higher interest rates have weighed on their earnings and raised concerns about their ability to refinance debt. In addition, REITs as an asset category are viewed as something of a bond surrogate, and the higher risk-free rates on offer with the rise in U.S. Treasury yields have made them comparatively less attractive. We continue to view Kimco as strong fundamentally, with a focus on relatively stable shopping centers anchored by supermarket chains. While higher rates present a challenge to REITs, Kimco may benefit from a down cycle in terms of less expensive acquisition costs and in any event should be able to raise capital if needed. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

Despite the positive investor sentiment and stock-market performance seen in the first quarter, we have a cautious view of where we are in the economic and market cycle. While hopes of Fed easing have recently been raised by concerns around bank failures, policymakers are facing unprecedented conditions. Most notably, even as an inverted U.S. Treasury yield curve is signaling recession, inflation remains well above the Fed's 2% target. Recession risks aside, we're not inclined to assume that we're on the cusp of Fed rate cuts and the beginning of a new market cycle. As a result, we view the economy as remaining vulnerable to a hard landing and equity valuations as remaining somewhat elevated given the risks to growth.

Based on this assessment, we're positioned relatively defensively, with overweights to the utilities, health-care, consumer-staples and telecommunication-services sectors, and underweights to consumer discretionary, information technology and industrials. More broadly, the Fund's holdings are high quality based on stable earnings and sound balance sheets while also featuring larger market capitalizations, less expensive valuations and above-average dividends relative to the value benchmark.

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 MARCH 31, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Value Fund—Investor	0.34%	-1.97%	21.09%	7.61%	7.90%
Global Value Fund—Institutional	0.30%	-1.92%	21.26%	7.76%	8.05%
MSCI AC (All Country) World Value Index**	1.24%	-5.50%	15.24%	4.27%	5.89%

**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 1.20%, Net 1.10% / Institutional Class—Gross 1.14%, 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 1/31/2024.** 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.

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. 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. 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.

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

** The MSCI AC (All Country) World Value Index captures large- and mid-cap securities exhibiting overall value style characteristics across 23 developed-market countries and 24 emerging-market countries.

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.

The yield curve is a line on a graph that plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates. The most frequently reported yield curve compares three-month, two-year, five-year and 30-year U.S. Treasury securities. This yield curve is used as a benchmark for other interest rates, such as mortgage rates or bank lending rates. The curve is also used to predict changes in economic output and growth.

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

GLOBAL VALUE FUND — TOP 10 HOLDINGS

AS OF DECEMBER 31, 2022

Security Name	Percent of Net Assets
Johnson & Johnson	5.2%
TotalEnergies SE	5.1%
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	4.5%
Duke Energy Corp.	4.1%
KT&G Corp.	4.1%
Novartis AG	3.8%
Union Pacific Corp.	3.7%
Exelon Corp.	3.4%
Bristol-Myers Squibb Co.	3.2%
Axis Capital Holdings Ltd.	3.2%
Total	40.3%

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.