WASATCH GLOBAL INVESTORS

Quarterly Commentary

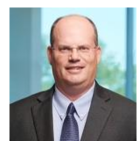
Investor FMIEX / Institutional WILCX

Wasatch Global Value Fund

DECEMBER 31, 2023

Market Sentiment Shifts on Hopes for a "Soft Landing"

FUND MANAGER



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Lead Portfolio Manager

10 YEARS ON FUND / 10 YEARS AT WASATCH

OVERVIEW

Global equities posted notable gains in the fourth quarter. The period opened with stocks sliding on a spike in oil prices and concerns that the U.S. Federal Reserve (Fed) and other major central banks were set to maintain a "higher for longer" interest-rate policy. However, November saw sentiment boosted by declining oil prices and a series of better-than-expected inflation reports. The rally was further supported in December when Fed Chairman Jerome Powell suggested that the central bank was not only finished raising rates, but was considering beginning to cut rates as soon as the first half of 2024. Additionally, economic growth remained positive despite the aggressive interest-rate increases already implemented, raising hopes for a "soft landing." Stocks generally moved higher into the end of the year on the back of these favorable developments.

The Wasatch Global Value Fund—Investor Class returned 6.44% in the fourth quarter of 2023, underperforming the MSCI AC World Value Index, which returned 9.17%.

Within the Index, performance was led by sectors that are growthier and more interest-rate sensitive, including information technology, real

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. Performance data do 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.***

estate and financials. Energy was the Index's biggest laggard, posting a modest negative return, followed by the relatively defensive health-care and consumer-staples sectors.

Contributions to the Fund's performance relative to the benchmark were led by positioning within communication services and industrials, while positioning within health care and information technology weighed most heavily on performance.

As it did for the quarter, the Fund also lagged the benchmark for the full year. In 2023, the Fund gained 5.65% while the benchmark increased 11.81%. The simple explanation for the underperformance in both periods is that we positioned the portfolio to be more defensive given our expectation of a slowing global economy. While our point of view has been too early in the short term, we remain confident that the economy is late in the market cycle and that stocks are vulnerable. In fact, many investors are expecting a "perfect landing" for the economy—even though history tells us that scenario is very unlikely. We'll talk more about this in the *Outlook* section below.

DETAILS OF THE QUARTER

Leading individual contributors to the Fund's relative performance included railroad operator Union Pacific Corp. (UNP) within industrials. The new CEO's initiatives to drive margin improvement by implementing operating metrics to improve service efficiency and reduce costs have been well-received by the market. In addition, freight volumes appear to have bottomed in the third quarter of 2023, and with the Fed expected to begin cutting rates, the market began to factor into the stock price the impact of a cyclical recovery in volumes.

Another leading contributor was Kimco Realty Corp. (KIM), a REIT focused on stable, grocery-anchored shopping malls located in "first-ring" suburbs. REITs are viewed as bond surrogates and their valuations generally benefit when Treasury yields decline, as they did in the quarter. In addition, REITs generally carry substantial debt as part of their capital structure, and if the Fed lowers rates, reduced borrowing costs could improve earnings and make acquisitions more affordable.

Within materials, shares of mining company BHP Group Ltd. rose strongly in the quarter. As a cyclical stock, BHP shares were boosted by expectations for Fed easing and a soft landing. In addition, investors appeared to anticipate that BHP would benefit from increased demand from Chinese manufacturers for iron ore entering the new year.

On the downside, pharmaceutical company Pfizer, Inc. (PFE) was a major laggard. The primary driver of the stock-price decline was a softening in Pfizer's Covid-related business. In addition, in December management surprised the market by significantly lowering 2024 guidance, citing higher R&D expenditures and expenses related to Pfizer's acquisition of Seagen, a biotechnology company that develops cancer treatments. Moreover, during the third quarter, the company announced it had abandoned commercialization of an obesity treatment pill it had developed due to its side effects. We maintained our position.

Pharmaceutical company Bristol-Meyers Squibb Co. (BMY) also detracted. The market has been concerned about the number of the company's drugs scheduled to come off patent over the next several years. Investors weren't pleased when management pushed back the timeline for new product development during the quarter. In December, Bristol-Meyers announced three strategic acquisitions, which could help fill the looming product gaps. In our view, the company should be able to successfully address the financial impact of losing exclusivity with respect to several of its treatments given its very strong cash flow generation.

Shares of Canadian oil-sands company Suncor Energy, Inc. (SU) also declined in the quarter. Sentiment around Suncor had benefited in the third quarter from better-than-expected production, a sharp rise in crude oil prices and historically wide refining margins. However, a significant drop in oil prices in the fourth quarter weighed on the energy sector broadly, and Suncor guided modestly lower on its production targets. The company's recently appointed CEO has focused strongly on improving efficiencies and production at its flagship oil-sands asset in Alberta, and we remain positive on the stock. *(Current and future holdings are subject to risk and change.)*

OUTLOOK

The rotation in the fourth quarter of 2023—from a market driven by fears over higher-for-longer interest rates and looming recession to one driven by optimism over rate cuts and a soft landing—wasn't favorable for the Fund's relative performance. However, we continue to expect the Fed's past interest-rate hikes to be felt as 2024 progresses and result in slowing growth. Given this outlook, we don't see a lot of value in the areas of the market that were propelled higher by the Fed's shift in tone, such as information technology, industrials and consumer discretionary. As such, we remain focused on relatively inexpensive, lower-volatility stocks of larger-cap companies with high free cash flow, strong balance sheets and attractive dividend yields. In this vein, the Fund is overweight to the utilities, consumer-staples, communication-services and health-care sectors, and underweight to the financials, industrials, materials, consumer-discretionary and information-technology sectors.

As always, we will continue to adhere to our stock selection discipline 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

TOTAL RETURNS

FOR PERIODS ENDED DECEMBER 31, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
Global Value Fund—Investor	6.44%	5.65%	9.75%	9.60%	7.11%
Global Value Fund—Institutional	6.50%	5.74%	9.89%	9.76%	7.25%
MSCI AC (All Country) World Value Index**	9.17%	11.81%	7.33%	8.24%	5.46%

**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 1.10% 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 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.

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.

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 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.

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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.

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

GLOBAL VALUE FUND — TOP 10 HOLDINGS

AS OF SEPTEMBER 30, 2023

Security Name		Percent of Net Assets
TotalEnergies SE		5.3%
Johnson & Johnson		4.8%
Novartis AG		4.5%
Duke Energy Corp.		4.2%
KT&G Corp.		4.0%
Exelon Corp.		4.0%
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen		3.5%
Union Pacific Corp.		3.5%
Bristol-Myers Squibb Co.		3.3%
United Overseas Bank 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.