WASATCH
GLOBAL INVESTORS

Quarterly Commentary

Investor WAIGX / Institutional WIIGX

Wasatch International Growth Fund

JUNE 30, 2023

While Macroeconomic Uncertainties Remain, We Like the Fund's Return Profile From Here

OVERVIEW

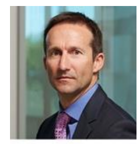
For the second quarter of 2023, the Wasatch International Growth Fund—Investor Class was up 0.62%, underperforming the benchmark MSCI AC (All Country) World ex USA Small Cap Index, which was up 2.05%.

While international equities notched moderate gains during the period, macroeconomic concerns continued to weigh on stocks. During the period, new data showed the European Union experienced its second quarter of economic contraction in the winter months, and economic data following China's reopening came in softer than many forecasters expected. Economic news from other countries was mixed.

On a geographic basis, stock selection in Japan and Taiwan detracted most from the Fund's performance relative to its benchmark. However, stock selection in the United Kingdom and the Fund's lack of exposure to China contributed to relative performance.

At the sector level, stock selection in the industrials and information-technology (IT) sectors weighed most on relative performance, while

FUND MANAGERS



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

Linda Lasater, CFA
Portfolio Manager
9 YEARS ON FUND / 16 YEARS AT WASATCH

Derrick Tzau, CFA
Associate Portfolio Manager
3 YEARS ON FUND / 5 YEARS AT WASATCH

Data show past performance, which 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 do not reflect this redemption fee or taxes. ***Total Expense Ratio: Investor Class—1.44% / Institutional Class—1.33%. 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.***

stock selection in the health-care and real-estate sectors aided relative results. In the uncertain economic environment, the stocks of companies that investors perceived to be economically sensitive traded lower, often regardless of fundamentals. This trend impacted some of our stocks in both the industrials and IT sectors. A few of those stocks are discussed in the section below.

DETAILS OF THE QUARTER

BayCurrent Consulting, Inc., a Japan-based business management and information-technology (IT) consultant, was the Fund's largest detractor from performance during the quarter. Concerns about the technology spending environment weighed on the stock, but there has been no slowdown in BayCurrent's business. The firm grew revenues by 32% in its most recently reported quarter. Demand for digital transformation projects, a key area of focus for BayCurrent, continues to be strong in Japan. Many Japanese businesses have found themselves behind the curve when it comes to digitalization and are now using the ample cash on their balance sheets to spend on large-scale digital projects to catch up. We believe BayCurrent will continue to be a prime beneficiary of this trend, as it enjoys a home-country advantage over global competitors when it comes to working with Japanese businesses.

Melexis NV also detracted from performance. The Belgium-based company designs and develops integrated circuits for automotive electronics systems. The company's quarterly earnings were actually better than we expected and stronger than what we're seeing from other semiconductor companies tied to the automotive supply chain. However, Melexis had prepaid some of its suppliers for inventory to make sure it could meet customer demands amid prior supply-chain disruptions. Given the economic uncertainty, investors have raised concerns over whether Melexis will be holding too much inventory if a downturn occurs. If so, we view this as a short-term hiccup. We still like Melexis and believe it will experience strong, structural growth as a prime beneficiary of automobile electrification.

Another large detractor was Endava PLC, a British IT-services company. Here too, cyclical concerns weighed on the stock after Endava lowered its guidance, anticipating a temporary slowdown in IT spending globally. The drop in the stock created an attractive buying opportunity, and we added to our position. While revenue growth could be slower in the next few quarters, Endava is tied to powerful long-term secular growth trends. The firm specializes in digital-transformation consulting, agile software development and various automation solutions. Digital transformation will be a business imperative for most firms over the next several years, and we believe Endava will play a critical role in helping many companies pivot their operations.

The largest contributor to Fund performance was Abcam PLC. The stock of the British health-care company was up substantially after its board announced it would explore a sale of the company. We sold out of the position after the news. While Abcam owns some phenomenal assets, executional missteps had already made us question our investment thesis.

Canadian bank EQB, Inc. was another top contributor. Strong earnings results propelled the stock higher during the period. We spent time with management in Canada recently and continue to like the business. The conservatively managed alternative lender targets its lending and services in niche market segments where Canada's six largest banks don't typically compete. EQB's market leadership position in these specialized markets has allowed it to grow a profitable business in a relatively low-risk fashion. The company's focus on digital and online banking has also been disruptive, allowing it to quickly grow deposits and customers.

JMDC, Inc., a Japan-based medical-data company, was another top contributor. The stock jumped after the company reported its most recent quarterly earnings results, which included considerable revenue growth for its health-care data business. Going forward, we believe JMDC's medical data will continue to play a vital role in making Japan's health-care system more efficient. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

As we've noted in prior commentaries, the macroeconomic environment is shrouded in uncertainty. Central banks in developed markets are likely in the latter innings of hiking interest rates, but no one knows how strong or weak each economy will emerge from tighter monetary policies. The lack of clarity makes it hard to pinpoint when markets will fully recover from last year's selloff.

But we believe attractive valuations are a springboard for stronger long-term returns. For perspective, our portfolio's P/E ratio, based on 12-month forward earnings, still hovers near its lowest level since 2014. Given the starting point of lower valuations, we really like the Fund's three- to five-year return profile, provided that our companies generate the type of earnings growth we expect. And notably, our conviction in the earnings power of these firms remains high.

Based on first-quarter data, which is the most recent available, the Fund's captured earnings growth—which we define as the earnings a company achieves while we own the stock—remains in the high teens. While that's a strong growth rate during a soft economic environment, it doesn't make us complacent. We've continued to do significant due diligence on our holdings, re-evaluating each stock to make sure the fundamental growth thesis underpinning the company remains in place. By and large, our conviction stands. This is why our portfolio turnover has stayed near its average level.

We acknowledge that the past year or so has been painful for shareholders. It was painful for us too, as valuations for growth stocks reset even though fundamentals for our companies hadn't deteriorated. But given now-attractive valuations and the earnings power we believe lies ahead for our companies, we're extremely excited about the Fund's long-term return potential from here.

Thank you for the opportunity to manage your assets.

Sincerely,

Ken Applegate, Linda Lasater and Derrick Tzau

AVERAGE ANNUAL TOTAL RETURNS

FOR PERIODS ENDED JUNE 30, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
International Growth Fund—Investor	0.68%	5.46%	-1.57%	-0.77%	4.21%
International Growth Fund—Institutional	0.68%	5.55%	-1.49%	-0.66%	4.29%
MSCI AC World ex USA Small Cap Index**	2.05%	10.93%	8.15%	2.62%	5.75%
MSCI World ex USA Small Cap Index†	0.49%	10.05%	6.42%	1.83%	5.97%

**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. 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.

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 foreign securities, especially in frontier and emerging 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.

The Wasatch International Growth Fund's investment objective is long-term growth of capital.

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***The MSCI AC (All Country) World ex USA 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, excluding securities of U.S. issuers. This index is a free float adjusted market capitalization index designed to measure the performance of small capitalization securities.*

†The MSCI World ex USA Small Cap Index is a free float adjusted market capitalization weighted index designed to measure the equity market performance of developed markets, excluding the United States.

Indexes are unmanaged. Investors cannot invest in these or any indexes.

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

The price/earnings (P/E) ratio, also known as the P/E multiple, is the price of a stock divided by its earnings per share.

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.

INTERNATIONAL GROWTH FUND — TOP 10 HOLDINGS

AS OF MARCH 31, 2023

Security Name	Percent of Net Assets
BayCurrent Consulting, Inc.	5.0%
Descartes Systems Group, Inc.	3.7%
Abcam PLC	3.4%
Diploma PLC	3.2%
Grupo Aeroportuario del Centro Norte SAB de CV	3.0%
Kinaxis, Inc.	3.0%
Voltronic Power Technology Corp.	2.9%
Melexis NV	2.8%
Reply SpA	2.6%
CTS Eventim AG & Co. KGaA	2.4%
Total	32.1%

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.