WASATCH GLOBAL INVESTORS

Quarterly Commentary

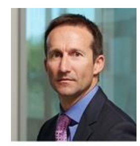
Investor WAIGX / Institutional WIIGX

Wasatch International Growth Fund

DECEMBER 31, 2023

International Equities Rallied in the Fourth Quarter, And the Fund Outperformed Its Benchmark

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 / 17 YEARS AT WASATCH

Derrick Tzau, CFA
Associate Portfolio Manager

3 YEARS ON FUND / 5 YEARS AT WASATCH

OVERVIEW

For the fourth quarter of 2023, the Wasatch International Growth Fund—Investor Class gained 14.12%, outperforming the benchmark MSCI AC (All Country) World ex USA Small Cap Index, which was up 10.12%.

At the sector level, the Fund's stock selection in the information-technology (IT) and financials sectors contributed most to its performance relative to the benchmark. An overweight to the IT sector also aided relative performance. However, our stocks in the health-care sector lagged those of the benchmark and detracted from relative results.

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

As 2023 draws to a close, we also wanted to provide an update on annual performance. For the year, the Fund's Investor Class gained 11.64% while the benchmark was up 15.66%. The majority of our

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—1.44% / 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.***

underperformance for the period was due to our holdings in Japan. Within Japan, a value-driven market was a strong headwind for our investment style, which favors high-quality growth companies.

During the year, the Tokyo Stock Exchange (TSE) embarked on a series of initiatives designed to spur greater capital efficiency among Japanese businesses. Amid these changes, investor capital flowed toward lower-quality companies that could be forced to improve their fundamentals. Most of these companies don't meet the high-quality, high-growth-rate thresholds we typically require for inclusion in our portfolio.

While our high-quality, growth-oriented investment style was out of favor in Japan and other international markets in 2023, we began to see that headwind abate toward the end of the year. In the fourth quarter, we were pleased to see many of our Japanese stocks get rewarded by investors for the strong fundamentals these companies produced during the year. We share more about our Japanese companies in our outlook later in this commentary, but we like the return potential of these stocks moving forward.

DETAILS OF THE QUARTER

Reply SpA, an Italian IT consultancy, was the leading contributor to the Fund's performance for the quarter. The stock was weak earlier in 2023 due to an industrywide, cyclical slowdown in growth. We used Reply's price weakness to add to our position late in the third quarter, as the secular growth drivers remain extremely strong in our view. In general, the stocks of IT consulting firms rallied in the fourth quarter due to positive news about demand for the industry and solid earnings results from most companies.

We own a few consulting firms in the portfolio, but we hold each stock for company-specific reasons rather than a general view on the industry. For Reply, we like its specialized digitalization focus in a few select European countries. Italy is also a somewhat insular market where we believe many businesses will prefer to work with a local firm like Reply instead of a global firm outside the country. Finally, while Reply has generated strong organic growth, it has boosted overall growth with a series of tuck-in acquisitions by recycling internally generated free cash flow.

Another top contributor was Qualitas Controladora SAB de CV, an auto insurer based in Mexico. The stock was up after the company reported strong quarterly operating results, including strong premium growth of more than 30% from the same period last year. The company is rebounding from a difficult period when mobility trends and accident frequency returned to pre-pandemic levels while inflation simultaneously increased the cost of spare parts for vehicle repairs. As the company and auto-insurance industry raise prices and inflation settles down, we think profitability should recover on the back of improving underwriting results and the company's investment portfolio benefitting from higher interest rates. Looking ahead, we continue to like the company's long-term growth potential and stability as the market leader in an underpenetrated Mexican insurance market. Qualitas is also expanding geographically and diversifying into the relatively nascent Mexican health-insurance business.

Diploma PLC, a U.K.-based industrial distributor, was another top contributor. The stock was up after the company reported strong annual results, which included 19% revenue growth and 36% free cash flow growth. We met with Diploma's management team on a recent trip to the U.K., which reinforced our high degree of confidence in the company. Diploma continues to make highly accretive acquisitions of complementary businesses. And we came away from our meeting impressed with management's ongoing focus on improving operations across the organization.

Grupo Aeroportuario del Centro Norte SAB, a Mexican airport operator commonly called OMA, was among the Fund's largest detractors. The stocks of Mexican airport operators fell in unison in October following news that Mexico's civil aviation regulator will change tariff rules on airports. Later in the month, operators agreed to new rules that will increase the contribution of revenues they pay to the government. We decreased our position in OMA given the earnings impact, increased risk premium and uncertainty over the government's future involvement.

Another detractor was Canada Goose Holdings, Inc., a Canada-based maker of performance outerwear. The stock was down due to investor concerns about the macroeconomic outlook in China, a country in which Canada Goose has been investing to grow its brand. We share those concerns and have exited the position. In addition to having concerns about China, we've been disappointed with the company's inability to expand profit margins.

Royal Unibrew A/S, a Denmark-based beverage distributor, was another detractor. The stock was down after the company reported softer-than-expected revenue growth in its most recent operating results. Europe's softening economy will be a challenge for beverage distributors across the continent, but we still like Royal Unibrew's long-term potential. The company is a best-in-class operator, in our view, and we believe it's poised for margin expansion. Further, we believe the company stands to benefit from its strong relationship with PepsiCo, as it expands its distribution of Pepsi products to more regions. (*Current and future holdings are subject to risk and change.)*

OUTLOOK

Heading into the new year, we feel positive about how the portfolio is positioned. Our biggest weighting among international markets is in Japan. As noted earlier, our holdings underperformed the broader Japanese market in 2023. But by and large, our Japanese companies demonstrated strong earnings and revenue growth, and we were encouraged to see investors begin to recognize those fundamentals in the fourth quarter.

Given where the valuations of our Japanese growth companies sit today and the solid fundamentals they continue to produce, we really like the return potential of these stocks in the next three to five years, which is our typical investment horizon.

Our second-largest geographic weighting is in the U.K. Our team visited the U.K. in November, and the sentiment on the ground is improving as we enter the new year. It appears a few of the macroeconomic clouds that hung over the region could be finally abating. The U.K. was affected by inflation and weak growth more than most other developed markets in 2022 and 2023. But there is a sense from management teams that the economy may have hit its bottom. Management teams are seeing signs of demand improvement, especially with an expectation of stimulus leading up to next year's election.

At the sector level, our second largest weighting and most significant overweight is in IT companies. Historically, this has been a sector in which we find many innovative, high-quality companies with attractive growth prospects. As such, the portfolio's overweight is due more to the abundance of stock-specific opportunities than a top-down view of the sector or a particular industry. That said, we still like the secular growth potential of many of our IT service businesses.

During the year, the portfolio has grown more concentrated, with our highest-conviction holdings now making up a greater share of the portfolio weight compared to several years ago. The market selloff in 2022 and periods of volatility in 2023 provided attractive entry points to add to these positions. We're excited about the growth potential of these businesses and will watch closely as their management teams execute on strategic growth priorities in the coming year.

Thank you for the opportunity to manage your assets.

Sincerely,

Ken Applegate, Linda Lasater and Derrick Tzau

WASATCH GLOBAL INVESTORS

TOTAL RETURNS

FOR PERIODS ENDED DECEMBER 31, 2023

	Quarter*	1 Year	3 Years	5 Years	10 Years
International Growth Fund—Investor	14.12%	11.64%	-7.79%	4.78%	3.11%
International Growth Fund—Institutional	14.17%	11.81%	-7.69%	4.89%	3.20%
MSCI AC World ex USA Small Cap Index**	10.12%	15.66%	1.49%	7.89%	4.88%
MSCI World ex USA Small Cap Index†	10.60%	12.62%	-0.20%	7.05%	4.63%

**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. 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 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.

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 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.

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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.

The Tokyo Stock Exchange (TSE), also abbreviated as Tosho or TSE/TYO, is the largest stock exchange in Japan and one of the world's largest marketplaces for securities.

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

INTERNATIONAL GROWTH FUND — TOP 10 HOLDINGS
AS OF SEPTEMBER 30, 2023

Security Name	Percent of Net Assets
BayCurrent Consulting, Inc.	3.5%
Descartes Systems Group, Inc.	3.3%
Diploma PLC	3.2%
AU Small Finance Bank Ltd.	3.0%
JMDC, Inc.	3.0%
EQB, Inc.	2.9%
SMS Co. Ltd.	2.7%
CAE, Inc.	2.6%
CyberArk Software Ltd.	2.5%
Voltronic Power Technology Corp.	2.5%
Total	29.2%

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.