

March 31, 2018

WASATCH-1ST SOURCE INCOME FUND™

(FMEQX) Open to all investors.

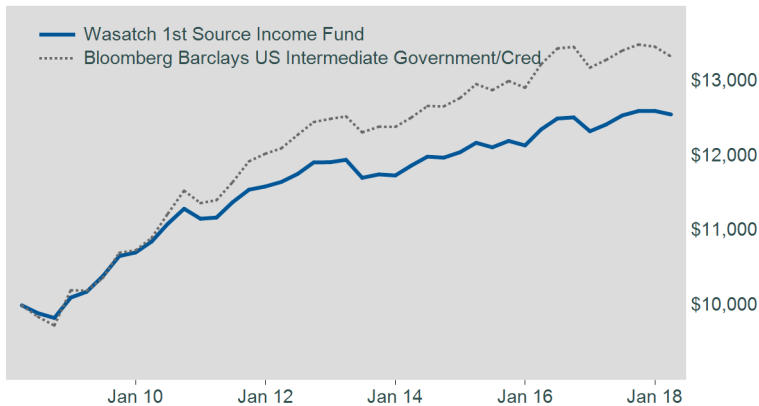


ABOUT THE FUND

Inception	9/24/1996
Total Fund Assets	\$96 Million
Morningstar Category	Short-Term Bond
Objective	Current income and capital preservation
Core Beliefs	<ul style="list-style-type: none"> • A portfolio of high quality, fixed income securities with an average maturity of three to six years will experience smaller fluctuations in value than stock funds • At times, fixed-income securities may provide the best risk-adjusted returns
Research Tenets	<ul style="list-style-type: none"> • Invest in investment grade bonds • Seek broad fixed income sector exposure including U.S. Treasuries, government agencies, corporate bonds, mortgage and asset-backed securities, and preferred stocks • Do our own credit research, focusing on interest rate risk, cash flow risk, and credit risk
Compared to Other Wasatch Funds	Our only fixed income fund focused on securities with intermediate maturities
Total Expense Ratio	Gross 0.75% / Net 0.75%

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

3/31/2008 through 3/31/2018



Data shows past performance. Past performance is not indicative of future performance and current performance may be lower or higher than the data quoted. For the most recent month-end performance data, visit www.WasatchFunds.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 Fund expenses, leading to higher total shareholder returns. **Total Expense Ratio: Gross 0.75%; Net 0.75%.** The 30-day current net SEC yield is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the maximum offering price per share on that date. The figure is compounded and annualized. The 30-day yield unsubsidized is calculated in the absence of temporary expense waivers or reimbursements which results in a lower yield.

Wasatch Funds will deduct a 2.00% redemption fee on Fund shares held 60 days or less. Performance data does not reflect this redemption fee or taxes.

By investing in fixed income securities, you are subject, but not limited to, the same interest rate, inflation and credit risk associated with the underlying fixed-income securities owned by the Fund. Return of principal is not guaranteed.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, visit www.wasatchfunds.com or call 800.551.1700. Please read the prospectus carefully before investing.

The Bloomberg Barclays US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index. It includes investment grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. You cannot invest directly in any index.

ABOUT THE FUND MANAGERS

The Wasatch-1st Source Income Fund is managed by a team of portfolio managers led by Paul Gifford and Erik Clapsaddle.



Paul Gifford, CFA Portfolio Manager

Mr. Gifford has been a Portfolio Manager for the Wasatch-1st Source Income Fund (formerly the 1st Source Monogram Income Fund) since April 2000. The Fund is sub-advised by 1st Source Corporation, of which Mr. Gifford is a Vice President and Portfolio Manager. He has been in the investment management field for nearly 20 years.

Before joining 1st Source, Mr. Gifford was a lead fixed income portfolio manager for a family of mutual funds in Minnesota. He continues to manage numerous short-term fixed income portfolios for 1st Source clients.

Mr. Gifford graduated with a Bachelor of Science from the University of Minnesota-Mankato. He also holds the designation of Chartered Financial Analyst.

Erik Clapsaddle, CFA, CFP Portfolio Manager

Mr. Clapsaddle has been an associate portfolio manager for the Income Fund since 2016. Mr. Clapsaddle is a Vice President and Senior Fixed Income Portfolio Manager of 1st Source Corporation Investment Advisors, Inc.

Mr. Clapsaddle joined 1st Source in 2015 after working with Comerica Bank in Detroit, Michigan as a Senior Fixed Income Analyst and Strategist for seven years.

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AVERAGE ANNUAL TOTAL RETURNS

Through 3/31/2018	1 Year	5 Years	10 Years
Wasatch-1st Source Income Fund	1.09%	1.00%	2.30%
Bloomberg Barclays US Intermediate Government/Credit Index	0.35%	1.25%	2.92%

30-Day SEC Yield: 2.58% Subsidized / 2.58% Unsubsidized

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PORTFOLIO CHARACTERISTICS **

Number of Holdings	79
Portfolio Turnover	60%
Average Duration (years)	2.5
Alpha (5 year)	-0.03
Beta (5 year)	0.76
R-Squared (5 year)	0.93

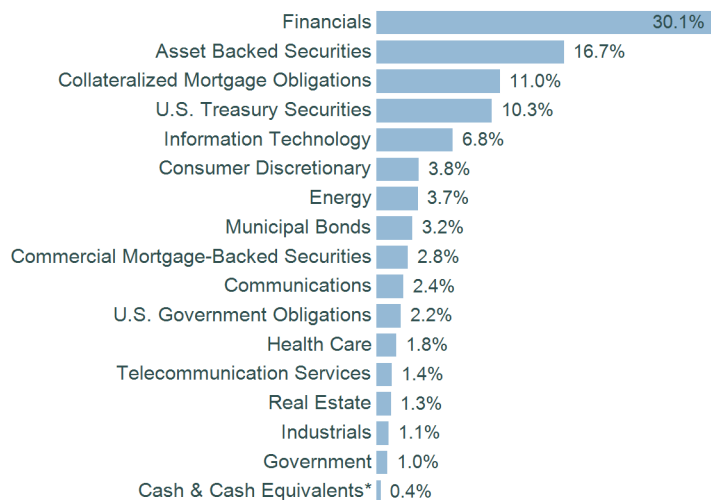
EFFECTIVE DURATION **

< 0	6.1%
0-1yr	19.5%
1-3yr	33.7%
3-4 yr	18.9%
4-6 yr	21.1%
6-8 yr	0.8%

QUALITY RATINGS **

Aaa	30.0%
Aa	6.5%
A	37.9%
Baa	21.3%
Ba	1.1%
Not Rated	3.3%

SECTOR ALLOCATION **



* includes other assets and liabilities

COUNTRY ALLOCATION

Country	Fund
U.S.	86.9
Foreign	13.1
Cayman Islands	3.6
Bermuda	3.3
United Kingdom	2.7
Others	3.5

Excludes cash and cash equivalents.

** The composition of the Fund's holdings is subject to change. AAA, AA, A and BBB are investment grade securities, while B is non-investment grade. Quality ratings source: Standard & Poor's and Moody's. **Investment grade** is a rating that indicates that a municipal or corporate bond has a relatively low risk of default. **Effective duration** is a measure of the security's price sensitivity to changes in interest rates.

Portfolio Turnover: A measure of trading activity in a fund's portfolio over the past 12 months expressed as a percentage of the fund's average total assets. **Alpha** measures a fund's risk/reward potential. A positive alpha means the fund outperformed the index. A negative alpha means the fund underperformed the index. **Beta** measures a fund's risk in relation to the market. A beta of 0.8 means the fund's total return is likely to move up or down 80% of the market change; 1.25 means total return is likely to move up or down 25% more than the market. **R-Squared** measures (from 0 to 1.0) how closely a fund's movements are correlated with movements of its benchmark. An R-squared of 1.0 would mean that the fund's movements are completely correlated with the movements of its benchmark.

TOP FIXED INCOME HOLDINGS

As of 3/31/2018	% of Fund
U.S. Treasury Note, 3.625% <i>Maturity Date: 8/15/2019</i>	2.7%
Citibank Credit Card Issuance Trust, Series 2017-A6, Class A6, 2.535% <i>Maturity Date: 5/14/2029</i>	2.1%
Cronos Containers Program I Ltd., Series 2014-2A, Class A, 3.270% <i>Maturity Date: 11/18/2029</i>	2.0%
Goldman Sachs Group, Inc. (The), MTN, 3.510% <i>Maturity Date: 10/28/2027</i>	2.0%
General Electric Co., MTN, 4.650% <i>Maturity Date: 10/17/2021</i>	1.8%
Dell International, LLC / EMC Corp., 4.420% <i>Maturity Date: 6/15/2021</i>	1.7%
Citigroup Commercial Mortgage Trust 2012-GC8, Series 2012-GC8, Class B, 4.285% <i>Maturity Date: 9/10/2045</i>	1.7%
Federal National Mortgage Assoc., Series AL4936, 3.000% <i>Maturity Date: 3/1/2029</i>	1.7%
U.S. Treasury Note, 3.625% <i>Maturity Date: 2/15/2020</i>	1.6%
BP Capital Markets plc, 3.245% <i>Maturity Date: 5/6/2022</i>	1.6%
Total	18.9%

Current and future portfolio holdings are subject to risks and may change at any time. References to specific securities should not be construed as recommendations by the Fund or its Advisor.



To invest in this fund, please visit
www.WasatchFunds.com
or call 800.551.1700

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