

September 30, 2018

# WASATCH SMALL CAP GROWTH FUND™

(WAAEX) Open to existing shareholders. Open to new shareholders investing directly with Wasatch Funds.

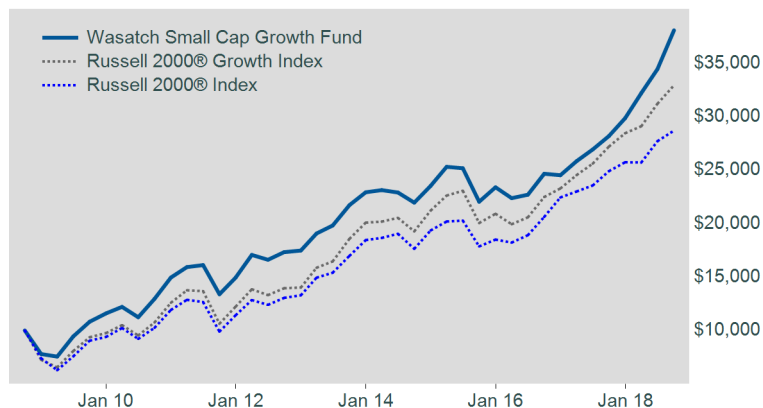


## ABOUT THE FUND

<b>Inception</b>	12/6/1986
<b>Total Fund Assets ^</b>	\$1.9 Billion
<b>Morningstar Category</b>	Small Growth
<b>Objective</b>	Long-term growth of capital. Income is a secondary objective, but only when consistent with long-term growth of capital.
<b>Core Beliefs</b>	<ul style="list-style-type: none"> <li>Earnings drive stock prices</li> <li>Small companies can grow faster than large ones</li> <li>Patience and discipline lead to smart long-term investments</li> </ul>
<b>Research Tenets</b>	<ul style="list-style-type: none"> <li>Leverage the firm's thorough, collaborative and disciplined research process</li> <li>Find the World's Best Growth Companies,™ specifically:                             <ul style="list-style-type: none"> <li>highest-quality companies with strong financials</li> <li>a sustainable competitive advantage</li> <li>a proven management team</li> <li>earnings growth of 15%/yr</li> </ul> </li> <li>Blend of "core" and "high growth" companies to provide balance and upside potential</li> </ul>
<b>Compared to Other Wasatch Funds</b>	Our flagship small cap growth fund
<b>Total Expense Ratio</b>	Gross 1.27% / Net 1.27%

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

9/30/2008 through 9/30/2018



^All share classes combined.

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](http://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 1.27%; Net 1.27%**. The Advisor has contractually agreed to reimburse Total Annual Fund Operating Expenses in excess of 1.50% until at least 1/31/2019.

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.

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. Investing in foreign securities entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus.

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](http://www.wasatchfunds.com) or call 800.551.1700. Please read the prospectus carefully before investing.

Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 2000 Growth Index measures the performance of Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index represents the smallest 2,000 companies in the Russell 3000 Index, ranked by total market capitalization. You cannot invest directly in any index.

## ABOUT THE FUND MANAGERS

The Wasatch Small Cap Growth Fund is managed by a team of portfolio managers led by JB Taylor, Ken Korngiebel and Ryan Snow.



**JB Taylor**  
CEO, Wasatch Advisors  
Portfolio Manager

Mr. Taylor has been a Portfolio Manager of the Fund since 2013. He is also a Portfolio Manager of the Core Growth and Global Opportunities Funds. He joined Wasatch Advisors in 1996 as a research analyst for the Micro Cap Fund, and became a senior analyst for the Core Growth Fund in 1999. Mr. Taylor graduated from Stanford University with a Bachelor of Science in Industrial Engineering.



**Ken Korngiebel, CFA**  
Portfolio Manager

Mr. Korngiebel has been a Portfolio Manager of the Fund since 2017. He is also the Lead Portfolio Manager for the Micro Cap Fund. Prior to joining Wasatch Advisors in 2015, he was a founder, partner and lead portfolio manager at Montibus Capital Management. He holds an MBA from the Wharton School of the University of Pennsylvania, and a Bachelor of Arts in Economics and Spanish from Stanford University.



**Ryan Snow**  
Portfolio Manager

Mr. Snow has been a Portfolio Manager at Wasatch since 2004. He has spent most of his career at Wasatch Advisors, joining the firm in 2000 as a Research Analyst on the Small Cap Growth Fund. Mr. Snow earned a Bachelor of Science in Finance from the University of Utah.

CFA® is a trademark owned by CFA Institute.

## AVERAGE ANNUAL TOTAL RETURNS

Through 9/30/2018	1 Year	5 Years	10 Years
Wasatch Small Cap Growth Fund	35.08%	11.88%	14.30%
Russell 2000® Growth Index	21.06%	12.14%	12.65%
Russell 2000® Index	15.24%	11.07%	11.11%

September 30, 2018

# WASATCH SMALL CAP GROWTH FUND™

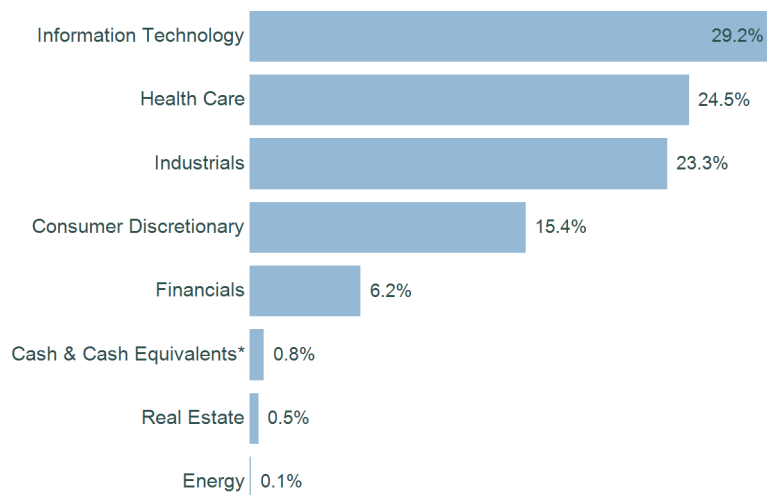
(WAAEX) Open to existing shareholders. Open to new shareholders investing directly with Wasatch Funds.



## PORTFOLIO CHARACTERISTICS

Est. 5-year EPS Growth	21.4
Forward 12-month P/E Ratio	29.0
P/E to Growth Rate	1.4
Median Market Cap	\$3.00b
Weighted Average Market Cap	\$4.51b
Number of Holdings	64
Portfolio Turnover	36%
Alpha (5 year)	1.49
Beta (5 year)	0.84
R-Squared (5 year)	0.84

## SECTOR ALLOCATION



\* includes other assets and liabilities

## COUNTRY ALLOCATION OF EQUITIES

Country	Fund
<b>U.S.</b>	<b>86.5</b>
<b>Foreign</b>	<b>13.5</b>
United Kingdom	4.0
Ireland	3.4
Argentina	1.8
Israel	1.5
Netherlands	1.4
Others	1.4

Excludes cash and cash equivalents.

## TOP 10 EQUITY HOLDINGS

As of 9/30/2018	% of Fund
Euronet Worldwide, Inc. <i>Data Processing &amp; Outsourced Services</i>	3.9%
HEICO Corp. Class A <i>Aerospace &amp; Defense</i>	3.7%
Ollie's Bargain Outlet Holdings, Inc. <i>General Merchandise Stores</i>	3.4%
ICON plc (Ireland) <i>Life Sciences Tools &amp; Services</i>	3.4%
Barnes Group, Inc. <i>Industrial Machinery</i>	3.3%
RBC Bearings, Inc. <i>Industrial Machinery</i>	3.0%
Cantel Medical Corp. <i>Health Care Equipment</i>	2.7%
Ultimate Software Group, Inc. (The) <i>Application Software</i>	2.7%
Ensign Group, Inc. (The) <i>Health Care Facilities</i>	2.6%
Monro, Inc. <i>Automotive Retail</i>	2.6%
<b>Total</b>	<b>31.3%</b>

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](http://www.WasatchFunds.com)  
 or call 800.551.1700

P.O. Box 2172 • Milwaukee, WI 53201-2172  
 Wasatch Funds are distributed by  
 ALPS Distributors, Inc.

**Est. 5-year EPS Growth %:** Estimated percentage increase in earnings per share (EPS) per year of the fund's holdings over the next 5 years. These returns are not guaranteed and may be higher or lower. Source: Wasatch and FactSet. **Trailing 12-mo. P/E Ratio:** The sum of the stock prices of the fund's holdings divided by the aggregate earnings per share of those holdings for the past 12 months, calculated as a weighted harmonic average. **P/E to Growth Rate:** The trailing 12-month P/E ratio divided by the estimated 5-year EPS growth rate. Portfolios with a number less than 1.0 would be considered undervalued, around 1.0 would be considered fair valued and significantly greater than 1.0 would be considered overvalued. **Weighted Average Market Cap:** The average market capitalization of companies held by the fund, weighted by their percentage of fund net assets. **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.

WAS004623 1/20/2019