

June 30, 2018

# WASATCH STRATEGIC INCOME FUND®

(WASIX) Open to all investors.



## ABOUT THE FUND

<b>Inception</b>	2/1/2006
<b>Total Fund Assets</b>	\$55 Million
<b>Morningstar Category</b>	Mid-Cap Value
<b>Objective</b>	To capture current income. A secondary objective is long-term growth of capital and income.
<b>Core Beliefs</b>	<ul style="list-style-type: none"> <li>The right portfolio of dividend-paying stocks can provide the income of bonds while modestly growing the underlying capital</li> <li>At times, fixed-income securities may provide the best risk-adjusted returns</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>Overweight financials because they pay good dividends and should outpace the market as a core element of global economic growth</li> <li>Limit asset correlation by holding three different kinds of stocks: Blue Chip, Dividend Growth, and Value</li> <li>Utilize hedging techniques to dampen the risk exposure of the portfolio when needed</li> </ul>
<b>Compared to Other Wasatch Funds</b>	Our only income/total return focused fund
<b>Total Expense Ratio</b>	Gross 1.58% / Net 1.43% The Advisor has contractually agreed to limit expenses to 0.95% until at least 1/31/2019

## ABOUT THE FUND MANAGER

The Wasatch Strategic Income Fund is managed by a team of portfolio managers led by Samuel S. Stewart, Jr..



**Samuel S. Stewart, Jr., PhD, CFA**

Chairman of the Board,  
Wasatch Advisors  
Portfolio Manager

Dr. Stewart founded Wasatch Advisors, Inc. in 1975 and currently serves as Chairman of the Board. He has been the lead manager for the Wasatch Strategic Income Fund since its inception in 2006. He is also the lead manager for the Wasatch World Innovators Fund.

Prior to founding Wasatch, Dr. Stewart was chief financial analyst with the U.S. Securities and Exchange Commission in the Division of Investment Management Regulation. He has also been a professor of finance at Columbia University's Graduate School of Business and at the University of Utah. He is a current member of Northwestern University's Alumni Council.

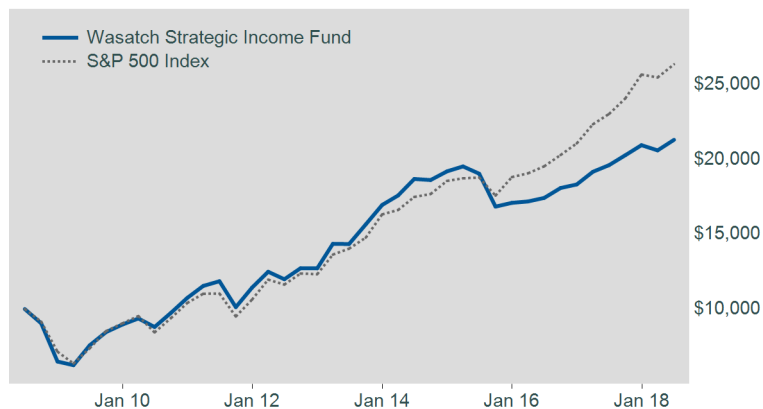
Dr. Stewart received a Master of Business Administration in 1969 and a Doctorate in Finance in 1970 from Stanford University where he held the Alfred P. Sloan, Jr. Fellowship. Earlier, he attended Northwestern University as an Austin Scholar and graduated with a Bachelor of Science in Business Administration in 1966. Dr. Stewart is a member and past president of the Salt Lake City Society of Financial Analysts and has written scores of papers for professional and academic journals.

Sam, a Utah native, loves to travel the globe, run and play basketball.

CFA® is a trademark owned by CFA Institute.

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

6/30/2008 through 6/30/2018



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](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 1.58%; Net 1.43%**. The Advisor has contractually agreed to reimburse Total Annual Fund Operating Expenses in excess of 0.95% until at least 1/31/2019. 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.

With respect to the Fund's assets invested 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. Equity investing involves risks, including potential loss of the principal amount invested. Investing in foreign securities, especially in emerging markets, 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.

The S&P 500 Index represents 500 of the United States' largest stocks from a broad variety of industries. The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). You cannot invest directly in any index.

## AVERAGE ANNUAL TOTAL RETURNS

Through 6/30/2018	1 Year	5 Years	10 Years
Wasatch Strategic Income Fund	8.61%	8.23%	7.85%
S&P 500 Index	14.37%	13.42%	10.17%
Bloomberg Barclays US Aggregate Bond Index	-0.40%	2.27%	3.72%

30-Day SEC Yield: 2.26% Subsidized / 2.15% Unsubsidized

June 30, 2018

# WASATCH STRATEGIC INCOME FUND<sup>®</sup>

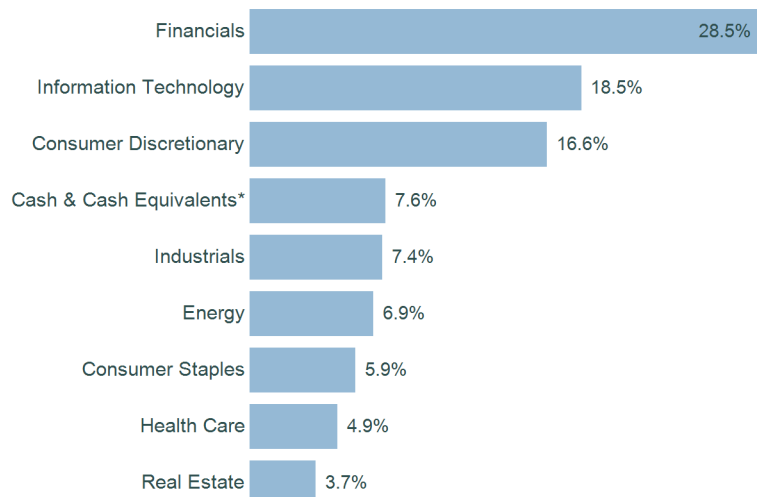
(WASIX) Open to all investors.



## PORTFOLIO CHARACTERISTICS

Est. 5-year EPS Growth	12.1
Forward 12-month P/E Ratio	13.9
P/E to Growth Rate	1.1
Median Market Cap	\$9.41b
Weighted Average Market Cap	\$65.17b
Number of Holdings	60
Portfolio Turnover	49%
Alpha (5 year)	-3.78
Beta (5 year)	0.93
R-Squared (5 year)	0.77

## SECTOR ALLOCATION



\* includes other assets and liabilities

## COUNTRY ALLOCATION OF EQUITIES

Country	Fund
<b>U.S.</b>	<b>83.3</b>
<b>Foreign</b>	<b>16.7</b>
Canada	6.3
South Africa	2.4
Taiwan	2.0
Netherlands	1.9
Romania	1.3
Others	2.8

Excludes cash and cash equivalents.

## TOP 10 EQUITY HOLDINGS

As of 6/30/2018	% of Fund
iShares 1-3 Year Treasury Bond ETF	5.5%
Asset Management & Custody Banks	
MasterCard, Inc. Class A	4.4%
Data Processing & Outsourced Services	
Comcast Corp. Class A	4.1%
Cable & Satellite	
Visa, Inc. Class A	3.8%
Data Processing & Outsourced Services	
Microchip Technology, Inc.	3.5%
Semiconductors	
Home Depot, Inc. (The)	3.1%
Home Improvement Retail	
Suncor Energy, Inc. (Canada)	3.0%
Integrated Oil & Gas	
Magellan Midstream Partners L.P.	2.9%
Oil & Gas Storage & Transportation	
Canadian National Railway Co. (Canada)	2.8%
Railroads	
Starwood Property Trust, Inc.	2.8%
Mortgage REITs	
<b>Total</b>	<b>35.8%</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.

WAS004634 10/20/2018