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This brochure provides information about the qualifications and business practices of Wasatch Global Investors ("Wasatch"). If you have any questions about the contents of this brochure, please contact us at **801.533.0777** or email **institutionalinfo@wasatchglobal.com**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Wasatch also is available on the SEC's website at **www.adviserinfo.sec.gov**. The SEC's website also provides information about people affiliated with Wasatch who are registered, or are required to be registered, as investment adviser representatives of Wasatch.

Wasatch is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information to help you determine whether to hire or retain an advisor.

Pursuant to SEC rules, Wasatch will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of December 31st, the close of its business fiscal year. Wasatch will also provide other ongoing disclosure information about material changes as necessary.

Currently, our brochure may be requested by contacting us at **801.533.0777** or by email at **compliance@wasatchglobal.com**. Our brochure is also available on our website www.wasatchglobal.com. The brochure is free of charge.

Item 2 – Material Changes

- **The ADV was updated to reflect Wasatch’s new AUM of \$26.7 billion as of December 31, 2023.**

Item 3 – Table of Contents

	<u>Page</u>
1. Cover Page	1
2. Material Changes	2
3. Table of Contents	3
4. Advisory Business	4
5. Fees and Compensation	9
6. Performance Based Fees and Side-By-Side Management	14
7. Types of Clients	14
8. Methods of Analysis, Investment Strategies and Risk of Loss	16
9. Disciplinary Information	19
10. Other Financial Industry Activities and Affiliations	20
11. Code of Ethics	20
12. Brokerage Practices	23
13. Review of Accounts	30
14. Client Referrals and Other Compensation	30
15. Custody	31
16. Investment Discretion	31
17. Voting Client Securities	32
18. Financial Information	33

Item 4 – Advisory Business

Our History

Wasatch was founded in 1975 and is headquartered in Salt Lake City, Utah. Wasatch has developed a fundamental, bottom-up research method that focuses on the long-term growth potential of companies and finding market inefficiencies. Wasatch initially focused on investing in the stocks of companies with small market capitalizations (small cap), and over time has organically evolved into additional asset classes.

Our Culture

Today, Wasatch is 100% employee owned with over 40 shareholders and no single employee owning 20% or more of the firm. Our autonomy fosters an entrepreneurial spirit and pride that promotes collaboration and teamwork. Years of experience have convinced us that the best ideas and insights come from subjecting our efforts to the scrutiny of multiple eyes. At Wasatch, we generate our own investment ideas and leverage our collective experience to create results for our clients.

Our People

The substance of our success has always been our people. The portfolio managers at Wasatch play a critical role in our investment philosophy and process. In addition to the individual strengths brought to each portfolio, our lead portfolio managers average over 20 years of experience in the industry. Our employee shareholders elect a Board of Directors (currently consisting of seven employees and one former employee) to govern the company's affairs.

Our Services

A. Discretionary Investment Advice

Wasatch provides discretionary investment advice for a variety of clients, including mutual funds, collective trusts, separately managed accounts and sub-advised products. Across its different clients, Wasatch managed a total of \$26.7 billion in assets as of 12/31/2023.

Wasatch's advisory services are typically provided on a discretionary basis, meaning that Wasatch has full discretion to determine, consistent with clients' investment objectives and restrictions, which securities and the total amount of securities that should be bought or sold for clients' accounts. Wasatch may buy, sell, or otherwise trade securities that include, but are not limited to, common stocks in markets around the globe, initial public offerings (IPOs), private placements, 144A restricted stocks, convertible stocks and bonds, options, warrants, rights, preferred stocks and corporate, municipal and government bonds, notes and bills. Wasatch provides investment management services in several investment styles, including growth, core and value styles in micro, small, mid and large cap securities located in domestic and international markets. Wasatch's discretionary investment authority may be limited by conditions imposed by clients in their stated investment objectives or guidelines, and mutually agreed to by Wasatch.

1. Mutual Funds

Wasatch provides discretionary investment management services to an open-end registered investment company, Wasatch Funds Trust (“Wasatch Funds”). In total, Wasatch is the investment advisor to 20 separate portfolios in Wasatch Funds, although a sub-adviser has been retained to manage one of the portfolios.

Wasatch manages five U.S. domestic growth funds (Micro Cap, Small Cap Growth, Ultra Growth, U.S. Select and Core Growth); two U.S. domestic value funds (Micro Cap Value and Small Cap Value); three global funds (Global Opportunities, Global Select and Global Value); five emerging markets funds (Emerging Markets Small Cap, Emerging India, Emerging Markets Select, Frontier Emerging Small Countries and Greater China); three developed markets international funds (International Growth, International Select and International Opportunities); one long-short fund (Long/Short Alpha) and one sub-advised treasury fund (Wasatch-Hoisington U.S. Treasury Fund). Wasatch has retained Hoisington Investment Management Company (HIMCO) to sub-advise the Wasatch-Hoisington U.S. Treasury Fund.

As of 12/31/2023, Wasatch Funds had \$12.6 billion in assets under management. Each Wasatch Fund other than the Wasatch-Hoisington U.S. Treasury Fund has adopted both an investor share class and an institutional share class. The two share classes are invested in the same portfolio of securities but have different expenses. The investor share class of each Wasatch Fund is available to retail investors as the minimum investment size is \$2,000. The institutional shares are available to investors who have a minimum of \$100,000 invested in the fund. Each Fund is more fully described in the Wasatch Funds prospectus available online at www.wasatchglobal.com or www.sec.gov.

One difference between the management of the Wasatch Funds and all other accounts managed by Wasatch relates to private investments and private offerings. From time-to-time one or more Wasatch Fund may participate in a private offering, including private investments in public equities (PIPEs). Wasatch does not typically purchase private investments or participate in private transactions for any of its other clients.

2. Separate Accounts

As of December 31, 2023, Wasatch managed portfolios for separate account clients in investment styles similar to those of the Wasatch Funds. Wasatch currently manages separate account portfolios in fourteen investment styles (Micro Cap Growth, Micro Cap Value, Small Cap Growth, Small Cap Core Growth, Small Cap Ultra Growth, Small Cap Value, Large Cap Value, Global Small Cap, International Small Cap Growth, Emerging Markets Small Cap, Emerging India, Frontier Emerging Small Countries and Emerging Markets Select). In addition, Wasatch is willing to manage separate account portfolios in six other investment styles (International Micro Cap, International Select, Global Value, Global Select, Greater China, U.S. Select and Long/Short Alpha).

Each of the separate account styles is generally managed similarly to the respective Wasatch Fund, although variations in the products can exist. For example, certain of the domestic products also offer a hybrid style that permits a significant portion of a portfolio to be invested in international small cap stocks. Or, certain of the global and international styles offer versions that constrain the amount of the portfolio to be invested in emerging markets. Within an investment

style, the principal variations result from specific guidelines and restrictions placed on separate account portfolios by clients. Restrictions on the management of the account must be mutually agreed upon by Wasatch and the client. Clients who place restrictions, including restrictions as to types of securities, concentrations, cash balances, brokers to be used or not used, etc., must recognize that the performance of their accounts will not be consistent with the performance of accounts managed in the same style with no restrictions and as a result their performance may be better or worse than the other accounts.

As of 12/31/2023, Wasatch managed \$8.9 billion in separate account assets. The minimum account size for a new separate account is generally \$1 million in assets under management in a domestic style, or \$10 million for an international style. Wasatch has the discretion to accept accounts with a value less than the stated minimums depending on the nature of the account, the potential for future additions to the account and other factors. Some Wasatch clients have accounts smaller than \$1 million. Depending on the investment style of a new account, the minimum account size may be negotiated.

3. Sub-Advised Funds

As of 12/31/2023, Wasatch managed \$3.11 billion as a sub-advisor to six registered funds. These funds are generally aimed at retail investors in their jurisdictions and the minimum account size varies by fund.

- The Advisor acts as a sub-advisor to the St. James's Place Emerging Markets Equity Unit Trust GBP, a UCIT's vehicle domiciled in the United Kingdom. The Advisor manages the St. James's UCIT in Wasatch's Emerging Select style. As of 12/31/2023 the St. James's Place UCIT had \$2.2 billion.
- Wasatch acts as a sub-advisor to a sleeve of assets in the Counsel Global Small Cap Fund, a mutual fund registered in Canada. The sleeve is managed in Wasatch's International Small Cap Growth investment style. Wasatch has investment discretion over the sleeve which as of 12/31/2023 had AUM of \$136 million.
- Wasatch serves as a sub-advisor for the Renaissance Global Small-Cap Fund, a mutual fund registered in Canada. The Fund is managed in Wasatch's Global Small Cap Growth investment style. Wasatch has investment discretion over the Fund. As of 12/31/2023 the Fund had AUM of \$467 million.
- Wasatch serves as a sub-advisor to the Brinker Capital Destinations International Equity Fund, a U.S. registered mutual fund. The Brinker fund employs a multi-manager approach and Wasatch is one of four managers (alongside Baron, MFS and T. Rowe Price) advising the fund. Wasatch manages its sleeve in the International Opportunities investment style. As of 12/31/2023 the sleeve in the Brinker fund which Wasatch manages had AUM of \$131 million.
- Wasatch serves as a sub-advisor to the Morningstar U.S. Equity Fund, a U.S. registered mutual fund. The Morningstar fund employs a multi-manager approach and Wasatch is one of five managers (alongside Diamond Hill Capital Management, Levin Capital Strategies, MFS Investment Management and Westwood Management) advising the fund. Wasatch manages its sleeve in the Small Cap Core Growth investment style. As of 12/31/2023 the sleeve in the Morningstar fund which Wasatch manages had AUM of \$114 million.
- Wasatch serves as a sub-advisor to the Clearwater Select Equity Fund, a U.S. registered mutual fund. The Clearwater Fund employs a multi-manager approach and Wasatch is

one of six managers (alongside Cooke & Bieler, L.P., Jackson Square Partners, LLC, Parametric Portfolio Associates LLC, Pzena Investment Management LLC, Rice Hall James & Associates, LLC) advising the fund. Wasatch manages its sleeve in the Micro Cap Value investment style. As of 12/31/2023 the sleeve in the Clearwater fund which Wasatch manages had AUM of \$64 million.

4. Collective Investment Trusts

Wasatch manages four collective investment trusts. The collective investment trusts are institutional-only investment vehicles aimed at the retirement plan market. A CIT is similar to a mutual fund in that it is comprised of pooled assets invested with a specific philosophy and strategy; however, since it is exempt from the 1940 Investment Company Act, it has a simpler structure and generally lower operating costs.

All four collective investment trusts are sponsored by their trustee, SEI Trust Company. As of 12/31/2023 the Emerging Markets Small Cap CIT had \$132 million in assets, the Small Cap Growth CIT had \$15 million in assets, the Core Growth CIT had \$450 million in assets and the Emerging Markets Select CIT had \$134 million in assets.

5. Private Fund

Wasatch launched a private fund, Wasatch Emerging Markets Select Fund, in the second quarter of 2023. The vehicle is a master-feeder fund, with a Delaware limited partnership serving as an onshore feeder and a Cayman Islands registered mutual fund serving as an offshore feeder. The two feeder funds invest substantially all of their assets in the Master Fund, Wasatch Emerging Markets Select Master Fund, Ltd., which is also registered as a Cayman mutual fund. The Master fund is managed by Wasatch in the Wasatch Emerging Markets Select investment style. Both feeders conduct their investment and trading activities through the Master Fund which has the same investment objectives, policies and strategies as the feeder funds. The fund is intended for qualified purchasers and should not be deemed an “investment company” under the Investment Company Act of 1940.

6. Non-discretionary Account

Wasatch manages a single account over which Wasatch does not have investment discretion. Instead, Wasatch proposes the same trades to the account that it makes in other accounts in the same investment style. The client then either approves or rejects each trade. This client’s investment execution and performance may at times differ substantially from the performance of Wasatch’s discretionary accounts in the same investment style due to the approval requirement. As of 12/31/2023 the non-discretionary account managed by Wasatch had \$289 million in assets.

B. Services Other Than Continuous Investment Services

1. Model Delivery Platforms/UMAs

Model delivery platforms (“MDPs”) are platforms for which Wasatch designs, monitors and, as necessary, updates a model portfolio and provides the model and updates to these platforms on a regular basis. The platforms receiving models may adopt or ignore Wasatch’s recommendations. Wasatch does not have investment or voting discretion over MDPs. Wasatch does not have responsibility for trade execution, proxy voting or any other services to MDPs other than to

provide investment recommendations with respect to the model portfolio. The investment performance of any account on a MDP is attributable to the client, not to Wasatch, and may differ substantially from the performance of Wasatch's discretionary accounts in the same strategy. Accounts on MDPs will not receive access to limited offerings in which other Wasatch clients participate. Wasatch also provides advice to unified managed accounts ("UMAs") which Wasatch considers to be a form of MDP. As of 12/31/2023 the aggregate assets reported to Wasatch as following Wasatch's models on the various platforms was \$455 million in assets.

2. Administrative Services

Wasatch provides certain back office services for the various clients to which it provides investment management services. Wasatch provides several services to Wasatch Funds, including providing officers to the Funds, all of whom are compensated by Wasatch and are provided at no additional charge to the shareholders of Wasatch Funds. Wasatch provides certain services to its separate account clients, including account reconciliation and statement generation, which are provided as part of its investment services.

Wasatch has also been hired to provide administrative services to the Cross Creek Funds, a group of venture funds and funds-of-venture funds unaffiliated with Wasatch. The Cross Creek Funds were started inside of Wasatch in 2006 and remained a part of Wasatch until they were separated in 2012. The Cross Creek Funds are now managed by Cross Creek Advisors, LLC, a registered investment adviser. Wasatch provides the Cross Creek Funds services including accounting services, capital call management and preparation of financial statements.

Services Wasatch Does Not Typically Provide to Clients

1. Significant Shareholder Reporting

When Wasatch takes significant positions in an issuer, Wasatch is required to file reports with issuers and regulators around the globe regarding its clients' holdings of the issuer. Those reports are often made available to the public and at times require disclosure to the public of a client's identity and holdings. While Wasatch monitors the holdings of its clients on an aggregate basis and makes filings as necessary, Wasatch does not monitor or advise its clients on reporting requirements clients might have in those jurisdictions.

2. Class Actions

Wasatch will pass along to its clients and their custodians information it receives in connection with a portfolio security held by the client in a Wasatch account if the client might have a claim in connection with its ownership of that security. However, Wasatch does not file class actions claims for clients and does not pro-actively seek out information regarding potential class actions in securities held by Wasatch. If Wasatch receives this information, it will make a good faith effort to pass this information along to the client's custodian, but Wasatch will not give any advice related to the claim or potential claim.

Item 5 – Fees and Compensation

A. Discretionary Investment Advice

1. Mutual Fund Fees

Wasatch receives fees from the Wasatch Funds based on a percentage of assets under management. Wasatch receives an annual fee based on assets under management of 0.80% from the Wasatch International Select Fund; 0.85% from the Wasatch Global Select Fund; 0.90% from the Wasatch Global Value Fund; 1.00% from the Wasatch Small Cap Growth, Wasatch Core Growth, Wasatch Small Cap Value, Wasatch Ultra Growth, Wasatch Greater China and Wasatch Emerging Markets Select Funds; 1.25% from the Wasatch Long/Short Alpha, Wasatch International Growth, Wasatch Global Opportunities and the Wasatch Emerging India Funds; 1.50% from the Wasatch Micro Cap and Wasatch Micro Cap Value Funds; 1.65% from the Wasatch Emerging Markets Small Cap and Wasatch Frontier Emerging Small Countries Funds; and 1.75% from the Wasatch International Opportunities Fund. In addition, Wasatch receives annual fees based on assets under management of 0.50% from the Wasatch-Hoisington U.S. Treasury Fund. Wasatch has retained Hoisington Investment Management Company (HIMCO) to sub-advise the Wasatch-Hoisington U.S. Treasury Fund and pays HIMCO a management fee equal to 0.25% of the Fund's daily net assets. Management fees are accrued daily and paid by Wasatch Funds monthly. All of the Wasatch Funds, other than the Wasatch-Hoisington U.S. Treasury Fund, have adopted an institutional share class and an investor share class. The management fees paid to Wasatch are the same under both the investor and institutional share classes.

In addition to paying management fees, the Wasatch Funds also reimburse Wasatch for shareholder servicing on intermediary accounts for which Wasatch has paid a shareholder servicing fee. The Wasatch Funds reimburse Wasatch an amount equal to the costs that would be incurred if such services were provided by the transfer agent engaged by Wasatch Funds. Fees paid by Wasatch Funds other than the management fee (custody fee, administration fee, transfer agency fee, distribution fee, etc.) are discussed in detail in the prospectus available at www.wasatchglobal.com or www.sec.gov.

On occasion Wasatch might invest a portion of a separate account in a Wasatch Fund, although Wasatch will not do this without the prior consent of the client. An example of this might be investing an account that is seeking exposure to the Indian market but is not registered to directly invest in India in the Wasatch Emerging India Fund. If any of Wasatch's separate account clients' assets are invested in Wasatch Funds, the client will pay the advisory fee charged by the Fund(s) on those assets, but not pay an additional advisory fee under the separate account management agreement.

2. Separate Account Fees

The fee schedules below show the typical fees separate account clients would pay if funding a new account at the minimum asset size. **Depending on the size of the account and the investment style, clients may negotiate fees that materially vary from the schedules below.** At times Wasatch has had other fee schedules, which provided for fees that were higher or lower than those currently in effect. As new fee schedules were put into effect, they have been applicable to new clients and the fee schedules already agreed to with existing clients were not

changed. Therefore, some of Wasatch's current clients are paying different fees than those shown below and some clients may pay more or less than other clients receiving the same services.

Wasatch's compensation is based on a percentage of assets under management as follows:

a. Fee Schedules

Domestic Small Cap (including Small Cap Growth, Small Cap Core Growth, Small Cap Ultra Growth and Small Cap Value)

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	1.00%
Next	\$50,000,000	0.90%
Above	\$100,000,000	0.85%

Domestic Micro Cap (including Micro Cap Growth and Micro Cap Value)

	<u>Account Size</u>	<u>Annual Rate</u>
Accounts up to \$10,000,000		1.35%
Accounts over \$10,000,000		1.00%

Long/Short Alpha

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	1.00%
Next	\$50,000,000	0.90%
Above	\$100,000,000	0.85%

International Small Cap Growth

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	1.00%
Next	\$50,000,000	0.90%
Above	\$100,000,000	0.85%

International Micro Cap

	<u>Account Size</u>	<u>Annual Rate</u>
All Accounts		1.00%

Emerging Markets Small Cap and Emerging India

	<u>Account Size</u>	<u>Annual Rate</u>
All Accounts		1.00%

Frontier Markets

<u>Account Size</u>	<u>Annual Rate</u>
All Accounts	1.00%

Greater China

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	0.85%
Next	\$50,000,000	0.80%
Next	\$100,000,000	0.75%
Above	\$200,000,000	0.70%

Emerging Markets Select

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	0.85%
Next	\$50,000,000	0.75%
Above	\$100,000,000	0.65%

International and Global Select

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$100,000,000	0.75%
Above	\$100,000,000	0.70%

U.S. Select

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$100,000,000	0.65%
Above	\$100,000,000	0.55%

Global Small Cap

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$50,000,000	1.00%
Next	\$50,000,000	0.90%
Above	\$100,000,000	0.85%

Global Large Cap

	<u>Account Size</u>	<u>Annual Rate</u>
First	\$100,000,000	0.65%
Above	\$100,000,000	0.55%

b. Billing Process

Management fees are generally payable quarterly. Depending on the agreement between Wasatch and its clients, management fees may be payable in advance or in arrears and may or may not be

adjusted for contributions of additional assets, withdrawal of a portion of the assets, or termination of the agreement. The investment management agreement between Wasatch and a client may be terminated by either party pursuant to the terms of the agreement, generally with notice of 30 days or less. If a client has prepaid the management fee for a quarter and the agreement is terminated during the quarter, a pro-rata portion of the prepaid management fee will be refunded for the period the account was managed.

c. Performance Fees

Although the fee schedule above reflects Wasatch's standard fees, at times Wasatch has agreed with qualified separate account clients to charge performance fees. Wasatch currently manages nine separate accounts which have performance fees. The accounts with performance fees are generally large (over \$100 million each) institutional accounts. Each of these fees are structured somewhat similarly, but also have some differences which have been negotiated between Wasatch and the account. In general, these accounts pay Wasatch a below-market management fee and then at the end of each performance period Wasatch is entitled to receive a performance fee if the account's performance has exceeded the performance of an agreed upon benchmark. If the Wasatch account underperforms the benchmark, it must "catch up" to the benchmark in the future before Wasatch will receive any performance fee from the account. While those parts of the fees are similar among accounts, the amount of the base fee, the performance period, the agreed upon benchmark, and the use of a hurdle rate all are negotiated and are different among the different accounts.

A performance fee may give Wasatch an incentive to manage such accounts in a riskier manner in order to earn or increase the amount of its advisory fee or to favor accounts that pay a performance fee over other accounts. The conflicts created by performance fees are discussed in more detail in Item 6 below.

3. Sub-Advised Account Fees

Each sub-advised fund is a unique relationship with a custom negotiated fee. Wasatch provides different services for sub-advised accounts and receives different fees. The fees Wasatch receives for sub-advised funds are significantly lower than the fees it receives for advised accounts.

4. Collective Investment Trust

The all-in fees paid by clients in the Wasatch Small Cap Growth and Wasatch Core Growth CITs are equal to 0.85% of assets under management, the all-in fees paid by clients in the Wasatch Emerging Markets Select CIT are equal to 0.80% of assets under management and the all-in fees paid by clients in the Wasatch Emerging Markets Small Cap CIT are equal to 1.10%. In each case Wasatch receives the remainder of this amount after operating expenses are paid to the trustee.

5. Private Fund

The private fund will pay an annualized fee to Wasatch of 0.70% of its net asset value. There is no performance fee on the private fund. In addition, the private fund will be responsible for fees and costs attributable to legal, accounting, administration, custodian, etc. Wasatch has agreed to cap certain of the fees at 0.25% of the fund's net asset value. All of the fees related to the private

fund, and which party is responsible to pay them, are spelled out in detail in the fund's private placement memorandum.

B. Administrative Fees

Wasatch provides administrative services to the Cross Creek Funds, including accounting services, capital call management and preparation of financial statements. The Cross Creek Funds pay Wasatch fees for these services in addition to management fees and performance fees paid by the Funds. The Cross Creek Funds paid Wasatch a total of \$994,255 for administrative services provided in 2023.

C. Model Delivery Platform Fees

Fees payable by model delivery platforms are typically structured as a fee on assets the client chooses to manage in accordance with the model delivered by Wasatch. Wasatch has relatively few of these arrangements and so has not established a standard fee schedule for these relationships. The fees on such arrangements are negotiable and tend to be significantly lower than the fees on discretionary investment management paid by funds or separate accounts due to the increased work performed by the platforms rather than Wasatch in such arrangements.

D. Other Fees

Advisory fees payable to Wasatch do not include all the fees clients will pay when Wasatch purchases or sells securities for client account(s). The following list of fees and expenses are what clients pay directly to third parties, whether a security is being purchased, sold or held in their account(s) under Wasatch's management. Unless otherwise noted in this Form ADV, Wasatch does not receive, directly or indirectly, any of these fees. They are paid to a client's broker, custodian or the mutual fund or other investment clients hold.

The fees include, among others:

- Brokerage commissions
- Transaction fees
- Exchange fees
- FX fees
- SEC fees
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs), ADRs and GDRs
- Advisory fees charged by sub-advisors (if any are used for your account)
- Custodial Fees
- Odd-Lot differentials
- Transfer taxes
- Wire transfer and electronic fund processing fees

Wasatch does not have an affiliated broker-dealer and does not receive compensation directly attributable to the sale of a security or other investment product such as a commission. Item 12 further describes factors that Wasatch considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions), including research benefits received by Wasatch from brokers.

With regard to cash, clients who direct their custodians to use a sweep or other interest bearing account, including a money market fund or other fund such as an Exchange-Traded Fund (ETF), may pay two management fees on that cash, one to the manager of the money market fund and one to Wasatch.

Item 6 – Performance-Based Fees and Side-By-Side Management

A. Separate Account Performance-Based Fees

Wasatch has entered into performance fee arrangements with roughly a dozen qualified separate account clients. These fees are discussed in Item 5 above.

Wasatch can potentially earn greater fees from the accounts with performance fees than from clients that do not have performance fees. Wasatch faces a variety of conflicts due to the accounts with performance fee structures: (i) these fee arrangements create an incentive for us to allocate our best investment ideas to these accounts at the expense of our other funds and accounts; (ii) we have an incentive to favor the performance fee accounts in allocation of trades, providing them with the best trade execution; (iii) if we have products with differing investment strategies, we will be incented to favor the performance fee accounts over a different product with a conflicting strategy that does not have a performance fee; and (iv) performance-based fees create an incentive for Wasatch to recommend investments to the accounts which may be riskier or more speculative than those we might recommend under a different fee arrangement. Wasatch has designed and implemented procedures to attempt to identify and manage these conflicts. However, despite our best efforts to treat all clients fairly, it is possible that in certain transactions you may be advantaged or disadvantaged as we attempt to manage conflicts and treat all clients fairly.

B. Mutual Funds, Sub-advised Accounts, Non-discretionary Accounts, Private Fund

Wasatch does not charge performance-based fees on mutual fund, sub-advised, collective investment trust, private fund or non-discretionary account assets.

Item 7 – Types of Clients

Wasatch provides investment advisory services to a wide array of clients. Different investment products are more suitable for different clients, and so we have broken out the types of clients by the types of products.

A. Mutual Funds

As described above, roughly half of the assets Wasatch manages are in Wasatch Funds, a family of mutual funds. Wasatch Funds are available to all types of U.S. investors. They are the most suitable product for retail investors as the minimum investment size in any Wasatch Fund is \$2,000. Additional requirements for opening, maintaining and closing an account with Wasatch Funds are set forth in the prospectus available at www.wasatchglobal.com and www.sec.gov.

B. Separate Accounts

Separate accounts generally have a minimum investment size of at least \$1 million in a domestic style and \$10 million in an international style and tend to attract larger clients. Wasatch manages separate accounts for high net worth individuals, pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, superannuation funds, state and local government entities, trust programs and other U.S. and international institutions.

C. Sub-Advised Funds

Each of Wasatch's sub-advised fund arrangements is unique. Three of the six sub-advised products are tailored to individual investors in countries outside of the U.S. and are sponsored and marketed by the entities engaging Wasatch. The other three sub-advised products are U.S. mutual funds, but in each case Wasatch manages a sleeve of a fund which is combined with sleeves managed by multiple other managers.

D. Collective Investment Trusts

Wasatch manages four collective investment trusts. The collective investment trusts are institutional-only investment vehicles aimed at the retirement plan market which are only available to qualified retirement plans.

E. Non-Discretionary Account

Wasatch manages a single account over which Wasatch does not have absolute investment discretion. Instead, every proposed trade for that account is recommended by Wasatch but must be approved or rejected by the client before execution. This approval process may result in this account trading separately from Wasatch's other accounts in the same investment style. As a result of this process, this client's investment execution and performance may differ from the performance of Wasatch's discretionary accounts in the same investment style.

F. Model Portfolio Accounts

Wasatch provides model portfolio account information on a non-discretionary basis to certain clients, including unified managed accounts. In these instances, Wasatch is providing the model information to another investment manager that knows the client and exercises discretion as to whether to implement the Wasatch recommendations. Wasatch does not know the end clients participating in these accounts. Wasatch is not involved in trade execution for these accounts. Typically, these model portfolio accounts are for banks with trust accounts or brokerages operating unified managed accounts.

G. Limited Partnership

Wasatch launched a private fund, Wasatch Emerging Markets Select Fund, in the second quarter of 2023. The fund is intended for qualified purchasers and has a minimum investment of \$10,000,000.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Wasatch selects investments for clients based solely on investment considerations, including whether the investments are suitable for the client and consistent with the client's investment objectives and guidelines. Wasatch may give advice and take actions in the performance of its duties to certain clients that differ from the advice given, or the timing and nature of actions taken, with respect to other clients' accounts. All investments in securities include the risk of loss of your principal (invested amount) and any profits that have not been realized. Wasatch cannot guarantee any level of performance or that you will not experience a loss of your account assets. Most of Wasatch's investments are in stocks of companies that will always be subject to the general risk of overall stock market declines. In addition, stocks selected by Wasatch may decline in value even when the overall market is not in a general decline. Wasatch may invest a large portion of clients' assets in the stocks of a limited number of companies.

Wasatch believes the thoughtful incorporation of responsible investment practices, including the analysis of Environmental, Social, and Governance ("ESG") factors can be integrated into the investment due diligence process to reduce risk and maximize returns over long-term investment horizons. The integration of ESG analysis, alongside traditional financial metrics, provides Wasatch investment professionals with a mosaic of relevant risks and opportunities that are incorporated into investment decisions. Wasatch has committed to implementing these practices firm-wide and across all managed equity portfolios to the extent feasible.

Wasatch may also purchase securities through private transactions, including, but not limited to, private placements, 144A offerings, private investments in public equities (PIPEs), and investments in foreign IPOs. Generally these types of investments are only made for the Wasatch Funds and so other investors should not expect to have access to these investments.

As part of its fundamental approach to investment research Wasatch has historically traveled frequently to visit companies and meet with their management teams on site. However, over the past couple of years Wasatch personnel have traveled less frequently and have been relying upon virtual meetings with management teams. Wasatch continues to believe it is beneficial to make on site visits and hopes to fully resume its travel.

Each Wasatch investment style carries risk, including the risk that you may lose some or all of your investment. Some of the significant risks faced by various Wasatch products are highlighted below.

A. Domestic Small and Micro Cap

Under normal market conditions, we will invest the majority of assets in the equity securities of small growth companies. We generally use a process of "bottom-up" fundamental analysis to look for individual companies that we believe are stable and have the potential to grow steadily for long periods of time. Our analysis may include studying a company's financial statements, building proprietary financial models, visiting company facilities, and meeting with executive management, suppliers and customers.

Investments in small and micro cap companies carry risk that you may lose money. Small and micro cap companies' shares may not trade as readily as those of larger cap companies and their prices may fluctuate more widely. Small and micro cap stocks are also very sensitive to changing

economic conditions and market downturns. Wasatch may also take large positions in companies, which could contribute to a lack of liquidity and price volatility if Wasatch needs to buy or sell a large number of shares at any particular time.

B. Mid and Large Cap

Our larger cap products tend to employ a comprehensive valuation analysis intended to establish a range for fair valuation or intrinsic company value, with a particular emphasis on company fundamentals. The valuation review may include calculating and reviewing standard ratios such as price-to-earnings and price-to-book, modified discounted cash flow models and changing sector and company specific outlooks due to various subjective factors.

In addition to general stock market risk, our mid and large cap products are subject to sector weighting risks. For example, our mid and large cap products may invest a large percentage of their assets in a few sectors. Market conditions, interest rates, and economic, regulatory or financial developments could significantly affect the securities in a single sector, increasing a product's exposure to the price movements of that sector. These products are also subject to the risk that their style (growth or value) will be out of favor for an extended period of time.

The Select portfolios also include a non-diversification risk in that they typically invest a larger portion of their assets in the stocks of fewer companies than other investment styles. This means that the Select portfolios will have more exposure to the price movements of a single security or small group of securities than funds that diversify their investments among more companies.

C. International Micro and Global Small Cap

Our international products use a process of quantitative screening followed by "bottom up" fundamental analysis to identify individual companies that we believe have above average revenue and earnings growth potential. We travel extensively to visit companies and expect to meet with senior management of the companies in which we invest. We do not use allocation models to restrict investments to certain regions, countries or industries. We may significantly shift assets between asset classes, sectors, and geographic regions based on where we believe the best growth opportunities and valuations currently exist.

In addition to the risks described above for our domestic small and micro cap products, our global and international products face additional risks. All of them face risks related to foreign securities, including that these securities are generally more volatile and less liquid than U.S. securities. They also may be subject to additional risks due to differences in economic and political environments, the amount of information publicly available, the degree of market regulation, financial reporting, accounting, and auditing standards and fluctuations in currency exchange rates. These additional risks include the risk that the U.S. or others might impose economic sanctions on them that significantly affect the environment in which foreign companies operate. Products that invest in emerging market companies face additional risks due to increased political or social instability, unstable currencies, highly volatile securities markets, unpredictable shifts in policies relating to foreign investments, and the potential for government seizure of assets or nationalization of companies.

D. Emerging and Frontier Markets

In addition to the risks of investing in foreign securities in general, the risks of investing in the securities of companies domiciled in emerging and frontier market countries include increased

political or social instability, economies based on only a few industries, unstable currencies, runaway inflation, highly volatile securities markets, unpredictable shifts in policies relating to foreign investments, lack of protection for investors against parties that fail to complete transactions, and the potential for government seizure of assets or nationalization of companies. Each of these risks was illustrated and realized in the military attack of Russia on Ukraine. The global sanctions imposed against Russia adversely impacted nearly all sectors of the Russian economy and other emerging market economies in the region and around the globe. This leads to increased market volatility with severe negative effects on emerging market stocks.

At times the Wasatch emerging and frontier market investment styles may invest in participatory notes to gain exposure to markets that either prohibit direct foreign ownership or where registration in a foreign market is problematic. The purchase of participatory notes involves risks that are in addition to the risks normally associated with a direct investment in the underlying security, including but not limited to the credit risk of the issuer of the note.

E. Other Risks

In addition to the risks identified above by type of investment style, all investors with Wasatch will face certain additional risks, including but not limited to the following:

- **Market Risk** – Market risk is the risk that a particular security, or group of securities in a portfolio, may fall in value. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. The value of client portfolios could decline in value or underperform other investments due to, among other things, market movements over the short-term or over longer periods during more prolonged market downturns. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious diseases or other public health issues, recessions, or other events could have a significant negative impact on Wasatch's investments. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Such events could adversely affect the prices and liquidity of a client's portfolio securities or other instruments and could result in disruptions in the trading markets. Any of such circumstances could have a materially negative impact on the value of a client's portfolio and result in increased market volatility.
- **Cybersecurity** – Wasatch realizes that as we increasingly rely on technology to collect, store and manage information, we are increasingly vulnerable to security breaches. Each of these systems are vulnerable to various threats or risks that could adversely affect Wasatch and its clients. Wasatch has designed and implemented a number of security measures designed to mitigate any potential losses from major security risks including personal and client data loss, operational disruptions and company data loss. However, despite the efforts of Wasatch and its service providers, human errors, hacker attacks and system malfunctions might cause great financial damage to Wasatch and to its clients. Such attacks could result in Wasatch and its clients paying regulatory fines or penalties, cause reputational damage and result in substantial costs related to remedying the issues. The companies in which Wasatch invests face similar risks related to cybersecurity issues.
- **Concentration** – Certain of Wasatch's investment styles concentrate investments in either a particular country, region, market, industry or even issuer. This concentration results in performance that may be more volatile and more susceptible to loss due to adverse

occurrences affecting that country, region, market, industry or issuer. A portfolio concentrating in a single country is subject to greater risk of adverse economic, market, political or social issues than a portfolio with broader geographical diversification. Similarly, in the event of economic or political turmoil in a particular region or country where a substantial portion of a Wasatch style is invested, the portfolio may experience substantial illiquidity or reduction in the value its investments.

- **Liquidity Risk** – The trading market for a particular security or type of security in which Wasatch invests may be significantly less liquid than developed or even emerging markets, and there may be little or no trading volume for a period of time for a particular security. Reduced liquidity will have an adverse impact on Wasatch’s ability to sell such securities quickly at a desired price when necessary to meet a Fund or Client’s liquidity needs or in response to a specific economic event. It may be difficult at times to sell such securities at any price, which could impact the value of those securities as well as the composition of the portfolio if other securities must be sold to meet the account’s liquidity needs. Additionally, market quotations for such securities may be volatile and thus affect the daily valuation of the securities.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Wasatch or the integrity of Wasatch’s management. Wasatch has one event to disclose:

In the first quarter of 2018 Wasatch learned that Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFIN”), the primary securities regulator in Germany, had levied a fine against Wasatch related to an ownership filing in Germany. Wasatch is required to make filings with regulators in many countries around the world when our ownership in companies in their countries exceeds the limits established by the local regulations. In Germany, Wasatch is required to make a filing with BaFIN if the aggregate ownership of our clients exceeds 3% of a company, and then another filing when the ownership drops below 3%. These filings are required to be made within four days of the transaction which causes the limit to be crossed.

In January, 2015, Wasatch was two weeks late in making one such filing when its ownership in a German company dropped from 3.26% to 2.89%. Over three years later, in March 2018, Wasatch learned that it had been fined 400,000 Euros by BaFIN for the late filing. Wasatch’s German counsel consulted with BaFIN and attempted to appeal the amount of the fine. It was clear based on the discussions between our German counsel and BaFIN that BaFIN believed it had sent Wasatch, via ordinary mail, several inquiries regarding the late filing, including a notice of a hearing that was being held on the matter. Wasatch did not receive any of these notices. After multiple discussions between Wasatch’s German counsel and BaFIN, in May 2018 Wasatch agreed to pay a total fine of 280,000 Euros for the violation.

After the late filing was made in 2015, Wasatch retained local German counsel to assist in making the filings to ensure there would be no problems with future filings. Wasatch has made several additional filings in Germany since that time and all have been made timely. Wasatch has also retained a registered agent in Germany so all official communication from BaFIN will be sent to them.

Following the fine, Wasatch once again re-evaluated its internal processes to make sure filing deadlines around the globe are being identified and filings are being made timely. Wasatch has

also retained a third-party vendor with a software platform designed to monitor and assist in the preparation of foreign ownership filings.

There are no other disciplinary events to report related to our firm or our employees.

Item 10 – Other Financial Industry Activities and Affiliations

Wasatch is not registered as a broker-dealer and is not affiliated with a broker-dealer. Wasatch Funds are distributed by ALPS Distributors, Inc., a registered broker-dealer. Certain employees of Wasatch are registered representatives of ALPS. Two of these individuals, Eric Bergeson and Kitty Swenson, are members of Wasatch's Board of Directors.

Wasatch is owned 100% by its employees. Wasatch serves as investment advisor to Wasatch Funds Trust, an affiliated registered investment company. A significant portion of Wasatch's revenues each year comes from Wasatch Funds and so a potential conflict could arise between Wasatch Funds and Wasatch's other clients. Wasatch provides several additional services to Wasatch Funds that it does not provide to other clients, including providing officers to serve the Wasatch Funds. Please refer to the disclosure regarding Wasatch Funds under Item 4.

Wasatch has retained Hoisington Investment Management Company ("HIMCO") to sub-advise the Wasatch-Hoisington U.S. Treasury Fund. Wasatch shares the advisory fees of this fund with HIMCO. We believe that Wasatch's interests, as well as the interests of Wasatch's clients including Wasatch Funds, are aligned with the interests of the sub-adviser and do not believe this relationship creates a material conflict of interest.

Wasatch conducts business in Australia but is currently exempt from the requirement to hold an Australian financial services license in accordance with class order 03/1100 in respect of the provision of financial services to wholesale clients in Australia. Wasatch understands that this exemption is under review and may not be available to it in the coming years. Wasatch continues to monitor the change and will explore registration with the Australian Securities and Investments Commission if necessary. In Canada, Wasatch avails itself of the international adviser exemption from registration found in Instrument 31-103 in British Columbia and "permitted client" registration exemptions in Multilateral Instrument 32-102 in Ontario and Quebec.

Item 11 – Code of Ethics

A. Summary of the Wasatch Code of Ethics

Wasatch expects its employees to act in the best interests of our clients and to place their interests ahead of our own. Wasatch has adopted a Code of Ethics ("Code"), which sets forth this standard of business conduct and states that Wasatch requires all of its employees to act in accordance with it. Wasatch annually requires each employee to acknowledge, in writing, the terms of the Code and any amendments. Wasatch will provide a copy of the Code to clients and prospective clients upon request. Wasatch's Code requires prompt internal reporting of any violations of the Code and requires employees to comply with the Code subject to sanctions by the Board of Directors in the event of non-compliance.

Wasatch's Code treats every employee as an Access Person. The Code requires Access Persons to obtain pre-clearance for personal securities transactions. Approval is generally not given for the purchase of a security of any publicly-traded company, although in limited circumstances an Access Person can seek an exception from the Wasatch Board of Directors. Approval is given for

the sale of securities; provided, however, that care is taken to not allow Access Persons to trade in a security at the same time Wasatch is trading in the security. The Code requires that Access Persons obtain approval from the Compliance department before investing in a limited offering, including private companies and private funds. The Code prohibits access persons from investing in IPOs. The Code requires Access Persons to quarterly report their personal securities transactions and holdings to Wasatch's Compliance department and designated persons in the Compliance department to review those reports.

Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interests of Wasatch's clients. Access Persons are permitted to invest in securities such as U.S. Government securities, open-end mutual funds and ETFs. Access persons (and members of their families) may invest in Wasatch Funds, for which Wasatch serves as investment advisor. Thus, Wasatch does recommend to clients the purchase or sale of securities in which it, or its officers or employees, have a financial interest.

Wasatch's Code contains provisions requiring pre-approval for outside business activities, service on boards of directors and political donations, along with limits on giving and receiving gifts. The Code also includes general guidance to employees on how to handle material, non-public information but is supplemented by Wasatch's Insider Trading Policy and Procedures.

B. Recommendations to Clients

Wasatch does not buy or sell securities to or from its clients.

Wasatch does recommend the Wasatch Funds, which it manages, to its clients. As explained in Items 4 and 7 above, Wasatch manages products for a variety of clients in a variety of investment styles and believes that a mixture or combination of these products can be appropriate for a client. To the extent that Wasatch invests client assets over which it has discretion in one of the Wasatch Funds, it does not charge the management fee from the account and only collects the fee from the Wasatch Fund in order to avoid fee stacking.

C. Participation in Securities Recommended to Clients

Wasatch has established and seeded a number of small proprietary portfolios for the purpose of conducting research and development and potentially establishing a performance record to enable Wasatch to offer such a portfolio investment style to clients at some point in the future (each a "Pilot Fund"). The Pilot Funds may be used to establish a performance track record to market a new product. Wasatch may invest the Pilot Funds side-by-side in the same or similar securities as those held by Wasatch clients and funds. The Pilot Funds may be managed in a similar style or different style than existing Wasatch client portfolios and Wasatch may have an incentive to favor a Pilot Fund in order to create a good track record. In order to mitigate this risk, the Pilot Funds are subject to the same trade policies and procedures (Trade Aggregation and Allocation, General Trading, etc.) that all Wasatch clients are subject to and the trading of the Pilot Funds are subject to additional compliance monitoring.

Other than the Wasatch Funds and the Pilot Funds, Wasatch does not invest in the same securities that it recommends to clients. Wasatch may invest client assets in companies whose officers, directors or employees have accounts with Wasatch or Wasatch Funds.

Wasatch employees are encouraged to invest with clients in the Wasatch Funds. Wasatch employees are not generally granted approval to make investments in individual publicly-traded

securities. Since Wasatch's Code does permit Access Persons to invest in private companies, there is a potential conflict that may arise if one of these companies comes public. In that instance Wasatch will take steps to monitor the potential conflicts that arise by requiring Access Persons to disclose such investments when they play a part in subsequent considerations of clients'/Funds' investment in the issuer. In such circumstances, the decision to purchase securities of the issuer will be subject to an independent review by research personnel with no personal interest in the issuer.

D. Potential Conflicts Relating to Advisory Activities

Wasatch undertakes to identify, manage and monitor any conflicts or potential conflicts that may arise in its operation of its asset management business. Wasatch has identified that conflicts can arise between (a) Wasatch and its clients, (b) one Wasatch client and another, (c) Wasatch employees and Wasatch clients, (d) Wasatch employees and Wasatch, and (e) Wasatch and its vendors. After identifying conflicts, Wasatch then strives to implement controls to prevent the conflicts of interest from adversely affecting the interests of its clients. The following three items are examples of conflicts Wasatch has identified.

1. Differing Fees and Performance Fees

Wasatch has clients in the same investment styles that pay different fees. This happens for a myriad of reasons including size of the account and time of inception of account. Where Wasatch manages accounts with different fee levels, it is committed to follow the same standards of diligence, oversight and adherence to client best interests for all accounts, regardless of their fees. Performance fees may be paid by some Wasatch clients when the performance of the client's account exceeds stated parameters. Wasatch has procedures in place to ensure fair allocation of investments and trades across all clients in the same style.

2. Cross Trades

In the course of providing advisory services, Wasatch may simultaneously recommend the sale of a particular security for one account and the purchase of the same security for another account if such recommendations are consistent with each client's investment objectives and guidelines. Therefore, opportunities may arise for Wasatch to effect "cross" transactions between client accounts. If Wasatch determines that it is more cost effective and in the best interests of both clients to cross securities between their accounts, Wasatch, acting as investment advisor and fiduciary to both buyer(s) and seller(s), may effect cross trades between client accounts consistent with its policies and procedures. ERISA accounts are not permitted to participate in cross trades with any other Wasatch advisory client.

3. Trade Allocation and Aggregation

Conflicts may arise in the allocation of investment opportunities among accounts that Wasatch advises. Wasatch seeks to allocate investment opportunities believed appropriate for one or more of its accounts equitably and consistent with the best interests of all accounts involved.

In addition to the allocation of investment opportunities, conflicts arise in the aggregation and allocation of trades placed for clients. If Wasatch believes that the purchase or sale of a security is in the best interest of more than one client, it may aggregate the securities to be purchased or sold to obtain more favorable execution and/or lower brokerage commissions.

Wasatch will allocate securities so purchased or sold, as well as the expense incurred in the transaction, in an equitable manner consistent with its fiduciary obligations.

Item 12 – Brokerage Practices

The majority of Wasatch's clients grant Wasatch full power and discretion to select brokers to execute transactions for their accounts and to negotiate and determine the commissions to be paid for such transactions ("discretionary brokerage").

Best Execution

Wasatch utilizes a wide array of brokerage venues, including stock exchanges, electronic communication networks (ECNs), alternative trading systems, crossing networks and other alternative pools of liquidity. Wasatch has no affiliated broker-dealer.

Wasatch may consider a number of factors when selecting a broker or dealer to effect a transaction, including the price of the security, the expected market impact of the trade, the broker's execution capability, the broker's financial strength and stability, the broker's responsiveness to Wasatch, its reputation and access to the markets for the security being traded, the efficiency with which the transaction will be effected, commission rates and the value of research products and services that a broker lawfully may provide to assist Wasatch in the exercise of its investment decision-making responsibilities. Wasatch generally believes that overall implementation cost, and not commission rate, is the foremost consideration. Explicit commission costs are typically lower than impact and spread costs, so the selection of a broker based purely upon lowest commission will not guarantee the cheapest trade. In light of this, price of the stock and liquidity have the highest relative importance in obtaining the best possible result for clients. The determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for our clients.

Wasatch has established a Trade Compliance Committee (TCC), comprised of personnel from various departments, to oversee all aspects of Wasatch's efforts to achieve best execution. The TCC develops an annual commission budget and reviews periodic commission statements that show the commission dollars paid to each broker for various time periods (e.g., the current quarter and year-to-date). The TCC also periodically reviews the annual budget in light of actual results and, as appropriate, may adjust the budget or recommend changes to the commissions paid to certain brokers. The TCC also reviews transaction cost analysis data (TCA data) to measure market impact and execution quality.

A. Research and Other Soft Dollar Benefits.

On nearly all trades, Wasatch accounts pay brokerage commissions that are competitive but that are higher than the lowest available rate, and Wasatch may receive research services as a result. The extra amount that clients pay above the lowest possible rate is commonly referred to as "soft dollars." These services, discussed in more detail below, are provided to Wasatch by brokers in exchange for client commissions and not because of payment from Wasatch.

Wasatch acknowledges that there are certain inherent conflicts with the use of soft dollars. These are outlined below. Wasatch has attempted to identify, monitor and manage these conflicts and is happy to disclose the conflicts and the steps Wasatch is taking to mitigate the risks involved. Wasatch has adopted the Soft Dollar Standards approved by the CFA Institute and believes that

all of its soft dollar arrangements comply with the CFA Institute's Soft Dollar Standards. Clients are welcome to request additional information concerning Wasatch's soft dollar arrangements, including a list of products and services acquired by Wasatch with soft dollars, the brokers used to provide those products and services, and the total amount of commissions and soft dollars paid by an account.

1. Conflicts of Interest Arising out of Soft Dollars

- a. **Wasatch benefits from the use of client commissions to purchase research because Wasatch receives research services from brokers that it does not have to produce or pay for itself.** One of the factors that Wasatch considers when selecting a broker to effect a transaction is the research services provided to Wasatch by the broker.
- b. **Soft dollars give Wasatch an incentive to select brokers based on its interest in receiving research services rather than on the client's interest in obtaining the best execution.** Wasatch acknowledges that brokerage is the property of our clients. In order to manage the conflicts inherent in using soft dollars, Wasatch strives to (1) have transactions executed at prices that are advantageous to clients and at commission rates that are reasonable in relation to the benefits received; (2) use soft dollars to obtain research and brokerage products and services that we believe will provide the greatest benefit to our clients; (3) not use soft dollars to obtain products and services that may be construed to fall outside of the safe harbor provided by Section 28(e); (4) make a reasonable allocation of the cost of a product or service that provides both research and non-research assistance and pay for the portion that provides non-research assistance with hard dollars; and (5) make full and fair disclosure of all material facts with respect to our soft dollar arrangements.
- c. **On nearly all trades, Wasatch accounts pay brokerage commissions that are competitive but higher than the lowest available rate another broker might have charged, and Wasatch receives research services as a result.** Wasatch clients "pay up" in these transactions (i.e., pay more than the lowest available commission for executing a securities trade in return for research services and products). To rely on the safe harbor of Section 28(e), Wasatch's Trade Compliance Committee makes a good faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer. In determining whether a product or service is within the safe harbor, Wasatch determines whether the research and brokerage product or service provides lawful and appropriate assistance to Wasatch in carrying out its investment decision-making responsibilities. The Trade Compliance Committee also attempts to evaluate the cost of commissions against the industry averages.
- d. **Client accounts that have paid for a specific service may not receive the benefit from that service and other client accounts may benefit from a service for which they did not pay.** All soft dollars that are generated from Wasatch clients are aggregated together and collectively used to pay for research services. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of soft dollar benefits. The types of research services acquired with soft

dollars often benefit Wasatch's research team across the board and it is impossible to separately measure the benefits a research service provides to each of the accounts managed by Wasatch. In addition, the volume and nature of trading activities of the accounts are not uniform, and so the amount of soft dollars paid by each account varies.

- e. **Certain Wasatch clients do not contribute soft dollars but benefit from the research obtained with soft dollars.** Certain clients of Wasatch (directed brokerage clients, clients that elect to execute their own transactions and clients in certain foreign jurisdictions which prevent or limit soft dollar usage) do not contribute soft dollars through their transactions. These clients benefit from the research services provided to Wasatch through soft dollars generated by other Wasatch clients, even though they do not contribute soft dollars. The number of assets Wasatch manages for clients located in foreign jurisdictions has increased over the past few years. Wasatch makes a good faith effort to calculate the amount of commissions these foreign clients would have paid in soft dollars and then Wasatch contributes this amount to the payment of soft dollar research services.

2. Types of Research Acquired with Soft Dollars

a. Proprietary Research

A portion of Wasatch clients' commission dollars spent on research services is paid to broker-dealers who provide their own proprietary research services. These brokers "bundle" trade execution services and research services into the total cost of the commission. The types of services Wasatch receives from proprietary research brokers include: (1) access to research analysts at the broker and reports generated by the analysts who follow companies in which Wasatch is interested in investing; (2) coordinating meetings or calls with management teams of companies in which Wasatch is interested in investing; (3) coordinating trips for Wasatch research members to visit companies; (4) providing attendance at conferences sponsored by brokers where companies present to potential investors such as Wasatch. Although brokers provide valuable services in planning and arranging trips and coordinating visits with company management, Wasatch is careful to ensure that it pays for its team members' travel expenses for trips and conferences.

Wasatch attempts to track and value the proprietary research services it receives from broker-dealers. Although best execution is always the principal objective, Wasatch attempts over the course of a year to allocate commissions to those broker-dealers providing the most valued services. Portfolio managers and the Trading Department discuss the quality and value of services provided by various broker-dealers. Although commission targets may be established for various broker-dealers for "budgeting" purposes, actual commissions will often not reflect such suggested targets because commissions are ultimately allocated on the basis of a number of factors constituting best execution. Accordingly, the commissions paid to any given broker may exceed or be much less than the commission target for that broker. This allocation of brokerage among the various broker-dealers is monitored quarterly by the Trade Compliance Committee.

b. Third Party Research

The other portion of the commission dollars spent on research is paid through unbundled commissions, where trade execution services and research services are paid separately to the broker. Payments for research services can then be made to third-party research providers other than the executing broker. This flexibility allows Wasatch to select the research services it feels are the most valuable to its research process and in turn most beneficial to its clients.

Research products and services provided to Wasatch by third-party providers include, among other things, databases, data services, software and publications that provide access to and/or analysis of company, market and statistical data and proprietary research and analysis. The two largest third-party services, FactSet Research Systems, Inc. and Bloomberg Professional service, account for nearly half of the third-party soft dollars used by Wasatch each year. FactSet is a source of financial information and analytics combining more than 200 databases into a single information system. This aggregated data delivery offers a broad array of financial, market and economic information, including fundamental data on tens of thousands of companies and securities worldwide. Bloomberg is an interactive, financial information network that integrates data, news, analytics, and multimedia reports into a single platform. Bloomberg analytics provide real-time tools that can retrieve fundamental company, financial and economic data, monitor risk and exposure, utilize pricing models and evaluate long and short-term performance. The Wasatch research process relies heavily on FactSet and Bloomberg to provide foundational information to allow Wasatch to construct its portfolios.

Wasatch may invest client assets in companies that provide research products or services to Wasatch, including those paid for with soft dollars.

3. Cross Subsidization

The research obtained through soft dollars is used by Wasatch to manage all of its client portfolios, including those that do not generate soft dollars. Wasatch does not attempt to link the soft dollars generated by a specific account to the research services utilized by that account. As a result, Wasatch accounts which contribute soft dollars through their commissions for the purchase of research utilized by Wasatch cross subsidize other Wasatch accounts which benefit from the same research but do not contribute to the research commission budget. Wasatch's Pilot Funds, although they contribute a small amount to the research budget, also benefit from the soft dollar research purchased by Wasatch clients.

4. Mixed Use Allocations

Certain products and services furnished to Wasatch by broker-dealers are useful in making investment decisions regarding client accounts and also provide administrative or other non-research assistance to Wasatch. Under such circumstances, Wasatch makes a reasonable allocation of the portion of such service or specific component which provides assistance to Wasatch in its investment decision-making responsibilities and this amount may be obtained from a broker-dealer with commissions paid on client portfolio transactions. The portion of such service or specific component which provides non-research assistance is paid for by Wasatch with its own resources.

5. Brokerage for Client Referrals

Promotion or sales of Wasatch Funds' shares is not a consideration in selecting broker-dealers to execute securities transactions for client accounts, including Wasatch Funds. We do not compensate broker-dealers for distributing Wasatch Funds' shares by directing brokerage transactions to them.

B. Trade Aggregation and Allocation

If Wasatch believes that the purchase or sale of a security is in the best interest of more than one of its clients, Wasatch may aggregate the securities to be purchased or sold into a single order ("a block trade") to obtain favorable execution and/or lower brokerage commissions. Wasatch will allocate securities so purchased or sold, as well as the expense incurred in the transaction, on a pro-rata basis or in another manner that it considers fair and consistent with its fiduciary obligations to clients. Clients might not receive a pro-rata allocation of a block trade in instances where the trade is only partially filled. In such instances, for example, some clients may receive their entire allocation and some clients may not receive any allocation if their pro-rata share is less than a minimal amount or if Wasatch has used another equitable method to allocate the block trade. Clients should recognize that the advice given and the actions taken with respect to their accounts might differ from the advice given or the timing and nature of action taken with respect to other advisory accounts. Clients should further recognize that transactions in a specific security might not be accomplished for all advisory accounts at the same time or at the same price, or that some clients may not even receive a security that other clients in the same investment style hold in their portfolios. These differences will result in clients in the same investment style earning different performance.

Certain conflicts of interest will arise related to aggregated transactions. Wasatch's Board of Directors has approved written trade aggregation policies and procedures that seek to ensure that aggregated transactions are made in a manner fair and equitable to, and in the best interest of, client accounts. Wasatch has designated its Trade Compliance Committee to be responsible for the implementation and periodic review and monitoring of these procedures.

Conflicts may arise in the allocation of investment opportunities among accounts that Wasatch advises. Wasatch will seek to allocate investment opportunities believed appropriate for one or more of its accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to Wasatch's attention will be allocated in any particular manner.

From time to time, Wasatch is given the opportunity to purchase an allocation of shares in an IPO or secondary offering. These allocations may be offered to Wasatch in part as a result of its past usage of various brokerage firms or previous private investments. In these offerings, portfolio managers will determine which investment styles are most appropriate for the investment and Wasatch will allocate securities purchased in these offerings to client accounts in these styles using a pro-rata or other equitable method. Clients who direct Wasatch to use a particular broker to execute trades for their accounts will not participate in IPOs. Additionally, certain client accounts may not be able to participate in foreign IPOs due to regulatory, administrative or operational limitations.

C. Other Wasatch Brokerage Practices

1. Priority of Order Fill

When placing client transactions through multiple brokers the Wasatch trading department will typically place trades for discretionary brokerage accounts first. A discretionary account gives Wasatch full power and discretion to select broker-dealers to execute transactions for the Account and to negotiate and determine any commission rates to be paid for such transactions. Execution of orders for clients who direct the use of a particular broker will generally be placed after the completion of orders for the discretionary brokerage accounts. Model delivery platforms and UMAs are generally provided model changes after Wasatch has created the order and has initiated the trades for its discretionary clients.

For a single separate account in the Small Cap Growth style, Wasatch has established a monthly trade rotation process. The client is a large state retirement system which has its own trade desk and has elected to execute its own trades. The account alternates with the other Wasatch Small Cap Growth accounts by trading in front of these accounts for an entire month and then trading behind all of these accounts the following month. The goal is to not have Wasatch and the account trading in the market at the same time. Wasatch has reviewed the performance of this account relative to other accounts in the same investment style over time and believes that the rotation process is fair to all accounts involved.

2. Directed Brokerage

Some clients, when entering into an advisory relationship, instruct Wasatch to execute transactions for their accounts through a specific broker or dealer. Such relationships include directed brokerage arrangements and certain commission recapture arrangements (“directed brokerage”). In the event that a client directs Wasatch to use a particular broker, the client has the sole responsibility for negotiating commission rates and other transaction costs with the directed broker. Thus, a disparity will likely exist between the commissions borne by the client and the commissions borne by Wasatch’s other clients that do not direct Wasatch to use a particular broker. Further, some brokers assess minimum transaction charges, which may be disadvantageous to the client. The client should further understand that by instructing Wasatch to execute transactions through a specific broker, the client might not obtain commission rates and execution as favorable as those that would be obtained if Wasatch was able to place transactions with other brokers. The client will also forego benefits that Wasatch may be able to obtain for its other clients through, for example, negotiating volume discounts or block trades. In addition, Wasatch clients who elect directed brokerage generally trade after Wasatch clients who elect discretionary brokerage. Accordingly, broker directed transactions may be subject to price movements, particularly in volatile markets, that will usually result in the client receiving a price that is less favorable than the price obtained for non-broker directed orders. The client also will not be able to participate in IPOs and other investment opportunities available to clients who do not direct Wasatch to use a particular broker. If a client is unable to participate in an IPO, Wasatch may go to the market to purchase the security, which may be at a higher price than the IPO price. Wasatch clients that direct their brokerage to a specific broker generally have worse investment performance than clients in the same investment style who elect discretionary brokerage.

3. Cross Trades

In the course of providing advisory services, Wasatch may simultaneously recommend the sale of a particular security for one account and the purchase of the same security for another account if such recommendations are consistent with each client's investment objectives and guidelines. Therefore, opportunities may arise for Wasatch to effect "cross" transactions between client accounts. If Wasatch determines that it is more cost effective and in the best interests of clients to cross securities between client accounts, Wasatch, acting as investment advisor and fiduciary to both buyer(s) and seller(s), may effect cross trades between client accounts consistent with its policies and procedures. ERISA accounts are not permitted to participate in cross trades with any other Wasatch advisory client. Trades for ERISA accounts may be placed after cross trades for a particular security have been made on behalf of non-ERISA accounts. Accordingly, trades for accounts that do not participate in cross transactions may be subject to price movements, particularly in volatile markets, and may receive a price that is less favorable than the price obtained in a cross transaction.

4. Trade Errors

In the event an error occurs in the handling of client transactions, Wasatch will seek to identify and correct the error as promptly as possible consistent with its Trade Error Policy and Procedures. Generally, Wasatch's policy is to seek to place the client in the same position it would have been in if there had been no error. Losses will typically be limited to actual damages (losses plus interest) but will not include opportunity costs or other special or consequential losses that might be connected.

5. Affiliated Trades

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Wasatch's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Wasatch will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will generally be allocated on a pro rata basis.

6. Foreign Currency Transactions

Wasatch may engage in foreign currency transactions to facilitate trading in or settlement of trades in foreign securities. It is Wasatch's policy to seek out and trade with those broker-dealers whom we believe will provide best execution on behalf of our clients, usually via third parties. In situations where it is market convention or operationally efficient, or where a client limits Wasatch to trading foreign exchange with certain counterparties or requires Wasatch to trade solely with the client's custodian bank, such limitations may impact our ability to obtain best execution for the client.

7. Investing in Brokers

Wasatch may invest client assets in broker-dealers, including those used to execute client transactions or that underwrite public or private offerings in which Wasatch may participate.

8. Buy-Ins

At times a Fund or client account may be “bought in” by a broker due to a myriad of reasons that are generally out of Wasatch’s control. If a broker takes action to buy in a client account Wasatch will use its best efforts to minimize any loss that results to the client, but will not be responsible for any such loss.

Item 13 – Review of Accounts

A. Regular Portfolio Review

Portfolio managers are responsible for structuring and maintaining the model portfolio for each investment style offered by Wasatch Global Investors. Portfolio managers generally review model portfolio holdings daily. Each client’s account is reviewed at least monthly for conformance to the appropriate model portfolio and client objectives. In addition, each client account is reviewed monthly to identify and explain any performance outliers compared to the related model account.

B. Event-driven Portfolio Review

In addition to the regular review of accounts described above, client accounts are reviewed more frequently based on events that arise. Client accounts are monitored by a software program, Advent Rules Manager, to ensure they comply with the various guidelines and restrictions imposed by the client. If the software restricts a proposed trade in a client account, the account is reviewed promptly and alternate instructions are given. Similarly, client accounts are reviewed in real time if there are large inflows or outflows of assets in the account.

Wasatch traders run computerized allocation strategies to assist them in identifying the trades necessary for each client account to reflect as closely as possible the appropriate model portfolio for that account. The traders are informed on a daily basis of any significant activity in client accounts. Client managers follow through to ensure compliance with all instructions.

C. Client Reporting

Wasatch provides a written quarterly report to separately managed accounts which includes a statement of assets as of quarter end, calculated performance for the account and a commentary. In person or telephonic meetings may be arranged at the request of a client. Wasatch Fund clients receive a written quarterly statement from the transfer agent retained by the Funds.

Item 14 – Client Referrals and Other Compensation

Wasatch receives no economic benefit for providing investment advice to clients other than from clients.

Wasatch previously entered into a contractual agreement with an unaffiliated, third-party agent in Australia to assist Wasatch with soliciting investment advisory clients in Australia. Although the agreement has been terminated, Wasatch continues to compensate the agent for clients which the agent previously helped Wasatch locate. Such compensation is paid in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. The agent's compensation does not increase the referred client's investment advisory fees beyond that which Wasatch would otherwise charge the referred client for Wasatch's services.

Certain Wasatch employees who solicit investment advisory clients on behalf of Wasatch are compensated based on a percentage of the advisory fees paid by such referred clients.

Item 15 – Custody

Wasatch generally takes steps to avoid having custody of client assets. We do not have custody over Wasatch Funds, collective investment trusts or any sub-advised accounts.

Wasatch does have custody of a limited number of separate account assets, but only to the extent it is authorized to withdraw advisory fees directly from client accounts without independent verification from the client. Wasatch follows the custody rules in 206(4)-(2)(a) under the Investment Advisers Act and: (1) ensures that its clients use a broker-dealer, bank or other qualified custodian to hold and maintain their assets; (2) makes due inquiry with client custodians to form a reasonable belief that the custodians send clients an account statement at least quarterly; and (3) includes a note on each quarterly account statement it sends to clients urging them to compare the account statements they receive from the custodian with those they receive from Wasatch. Clients should carefully review the account statements they receive from their qualified custodians and compare them to the account statements they receive from Wasatch. Wasatch statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Despite those variances, by comparing these statements clients will be able to determine whether account transactions, including deductions to pay advisory fees, are proper.

Wasatch will have custody of the private funds because of its capacity as general partner, or equivalent, for each of the funds that allows Wasatch access to client funds or securities. For the private fund, Wasatch will follow Rule 206(4)-2(b) by distributing audited financial statements, prepared in accordance with generally accepted accounting principles, to limited partners within 120 days of the end of the fiscal year of the private funds. These audits are prepared by an independent public accountant registered with, and subject to regular inspection by the Public Company Accounting Oversight Board. Lastly, Wasatch will have a final audit of each fund upon liquidation and distribute the audit to all investors in the fund.

Item 16 – Investment Discretion

As described above in Item 4, Wasatch provides discretionary investment supervisory services to the majority of its clients. We have full discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities. Such authority is provided in our contract with each client.

Clients have the ability to propose reasonable guidelines and restrictions on the management of their accounts. Frequently requested guidelines include restrictions as to the types of securities, concentrations, cash balances, brokers to be used or not used, etc. Wasatch will work with clients

to agree upon guidelines to be adopted. Client investment guidelines are an integral component of a client's investment management agreement, and as such, become part of the contractual obligation between the client and Wasatch. Clients who place restrictions on their account should recognize that the performance of their account might not be consistent with the performance of accounts managed in the same style with no restrictions.

Wasatch manages a single account over which Wasatch does not have investment discretion. For this account every proposed trade must be approved or rejected by the client. This client's investment execution and performance may differ substantially from the performance of Wasatch's discretionary accounts in the same investment style due to this approval process.

Item 17 – Voting Client Securities

Clients may choose to direct Wasatch to vote proxies solicited by or with respect to issuers of securities held in their account, or retain the authority to vote such proxies themselves. Wasatch has established a Proxy Voting Committee to oversee the firm's proxy voting activities. Wasatch has also retained an independent service provider, Institutional Shareholder Services ("ISS"), to assist in reconciling and processing proxy ballots and providing record-keeping and vote disclosure services, as well as research on proxy issues. ISS assists in ensuring that the proxies for the accounts of Wasatch's clients are voted in accordance with Wasatch's proxy policy.

Wasatch will only instruct a client's custodian to forward copies of proxy materials and shareholder communications relating to securities held in the client's account to ISS if the client has provided authorization to do so on its behalf. If clients choose to lend their securities, Wasatch will not typically vote the proxies related to these holdings.

Wasatch's policy is to vote client securities in the manner we believe will best maximize shareholder value. Wasatch has adopted and implemented a Proxy Voting Policy, including guidelines and procedures to assist research analysts in making decisions about how to vote on issues we believe are most relevant to creating shareholder value or that occur most frequently in the types of securities in which we invest. As a result of our research process and investing in companies that we believe have high quality management teams, Wasatch generally supports the recommendations of the company's board of directors when voting proxies. However, we ultimately vote for or against recommendations based on the fundamental premise that at all times we are attempting to maximize the value of investments for the benefit of our clients. Wasatch recognizes that the general guidelines are not exhaustive and cannot anticipate all of the potential issues, or the facts and circumstances surrounding a particular vote. In these situations, Wasatch may supplement or deviate from the general guidelines.

In the event that Wasatch has identified a material conflict of interest in any proposal that is the subject of a proxy to be voted for a client account, Wasatch will instruct ISS to vote that proposal in accordance with ISS' published recommendation. In such cases, any vote recommended by ISS is binding and may not be overridden by Wasatch. Proposals on the same proxy ballot for which Wasatch does not have a material conflict of interest will be voted in accordance with Wasatch's Proxy Voting Policy.

Generally, clients who choose to direct Wasatch to vote proxies follow Wasatch's Proxy Voting Policy. In rare circumstances, clients may provide their own voting guidelines on how to vote issues, which may not be consistent with Wasatch's voting guidelines. In such circumstances, Wasatch provides the client's guidelines to ISS to administer the guidelines on the client's behalf

at the request of the client. Wasatch may pay an additional fee on behalf of the client to ISS to provide this service to the client.

On a rare occasion, if Wasatch determines that a proxy vote will not increase a shareholder's economic benefit, Wasatch may not vote a client's proxy. These circumstances could include: (i) the client account no longer holds the security, or (ii) after reviewing the requirements of voting the proxy, Wasatch concludes that the costs or disadvantages resulting from voting the proxy outweigh the economic benefits of voting. Examples of this include share blocking situations (where voting the shares locks up the shares from being sold for a period of time following the vote) or when the timing of the shareholder meeting and the receipt of proxy would require an in-person vote.

Clients may obtain a copy of Wasatch's complete Proxy Voting Policy upon request. Clients may also obtain information from Wasatch about how Wasatch voted any proxies on behalf of their account(s). Wasatch Funds' proxy voting record is available on the Funds' website at www.wasatchglobal.com and the SEC's website at www.sec.gov no later than August 31 for the prior 12 months ending June 30.

Item 18 – Financial Information

Wasatch, as a registered investment advisor, is required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients, and Wasatch has not been the subject of any bankruptcy proceeding.