

Wasatch Emerging Markets Small Cap Fund™ (WAEMX)

SEPTEMBER 30, 2010 Open to all investors.



The Wasatch Emerging Markets Small Cap Fund is one of few emerging markets funds uniquely focused on smaller companies

ABOUT THE FUND

Inception: October 1, 2007

Objective: Long-term growth of capital

Core Beliefs:

- Earnings drive stock prices
- Small companies can grow faster than large ones
- We can find small undiscovered emerging market companies with excellent earnings growth
- Patience and discipline lead to smart long-term investments

Research Tenets:

- Leverage the firm's thorough, collaborative and disciplined research process
- Find the World's Best Growth Companies™ within Emerging Markets, specifically:
 - high-quality companies with strong financials
 - emerging leaders with a sustainable competitive advantage
 - a proven management team
 - earnings growth greater than the relevant industry or sector

Compared to other Wasatch Funds: Our only fund focused on emerging markets

Total Fund Assets: \$444 Million

Total Expense Ratio: Gross 3.03% / Net of reimbursement by the Advisor 2.05%

ABOUT THE FUND MANAGERS

The Wasatch Emerging Markets Small Cap Fund is managed by a team of Portfolio Managers led by Roger Edgley and Laura Geritz

Roger D. Edgley, CFA

DIRECTOR OF INTERNATIONAL RESEARCH
PORTFOLIO MANAGER



Mr. Edgley is Director of International Research and a Portfolio Manager for the Wasatch Emerging Markets Small Cap, Wasatch International Growth, and Wasatch International Opportunities Funds. A native of the United Kingdom, he has over 15 years of international investing experience.

Prior to joining Wasatch in 2002, he was a principal, director of international research and portfolio manager for Liberty Wanger Asset Management (Acorn Funds).

Roger enjoys hiking, skiing, sailing and tennis.

Laura Geritz CFA

PORTFOLIO MANAGER



Ms. Geritz has been a Portfolio Manager for the Fund since 2009. She first joined Wasatch in 2006 as a senior analyst.

Before joining Wasatch, Ms. Geritz worked for Mellon Corporation as a senior analyst for two of the company's small cap growth funds. Prior to joining Mellon Corporation, Ms. Geritz spent four years as an analyst at American Century Investments.

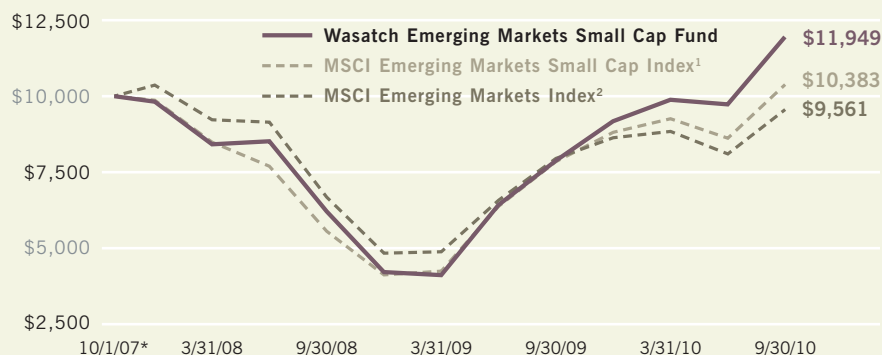
Ms. Geritz graduated with honors from The University of Kansas with a Bachelor of Arts in Political Science and History. Later, she earned a masters degree in East Asian Languages and Cultures.

Laura enjoys hiking, cooking, reading and traveling.

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MORNINGSTAR® Top 1% in the Morningstar Diversified Emerging Mkts category for its 3-year total return as of 9/30/10** (out of 268 funds)

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT



AVERAGE ANNUAL TOTAL RETURNS

THROUGH 9.30.10

	1 Year	5 Years	Since Inception*
Wasatch Emerging Markets Small Cap Fund	51.69%	n/a	6.11%
MSCI Emerging Markets Small Cap Index	32.32%	n/a	1.26%
MSCI Emerging Markets Index	20.22%	n/a	-1.48%



Deeper, Disciplined Investing™

*Inception: October 1, 2007. Data shows past performance. Past performance is not indicative of future performance and current performance may be lower or higher than the data quoted. For the most recent month-end performance data, visit www.wasatchfunds.com. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. The Advisor may absorb certain Fund expenses, leading to higher total shareholder returns. **Total Expense Ratio: 3.03%, Net: 2.05%**

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

Investing in foreign securities, especially in emerging markets, entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus. Investing in small cap funds will be more volatile and loss of principal could be greater than investing in large cap or more diversified funds. An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, visit www.wasatchfunds.com or call 800.551.1700. Please read the prospectus carefully before investing.

**The Morningstar percentile ranking for the Wasatch Emerging Markets Small Cap Fund was derived using the total return of the performance figure associated with its 3-year period as of 9/30/10. The Fund was ranked against the following numbers of U.S.-domiciled Diversified Emerging Markets funds over the following time periods: 379 funds in the last year and 268 funds in the last three years. With respect to these Diversified Emerging Markets funds, the Fund received a percentile rank of 1 and 1 for the 1- and 3-year periods, respectively. The percentile rank is the rank of a fund among its category peers, which rank is based on a comparison of a fund's total return performance against its peers over a given time period.

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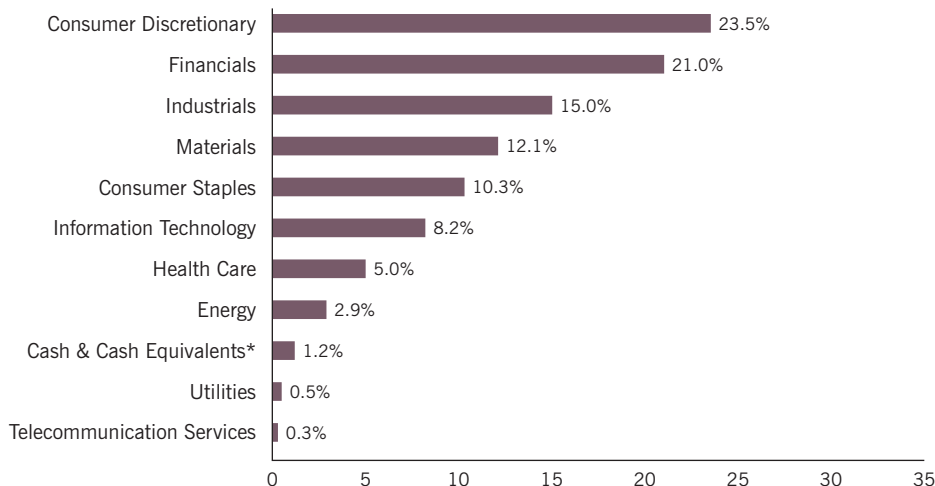


PORTFOLIO CHARACTERISTICS

Wasatch Emerging Markets Small Cap Fund

Est. 5-yr. EPS Growth % ²	22.1
Trailing 12-mo. P/E Ratio ³	19.9
P/E to Growth Rate ⁴	0.9
Median Mkt. Cap	\$1.23b
Wtd. Avg. Mkt. Cap ⁵	\$1.71b
Number of Holdings	164
Portfolio Turnover ⁶	23%
Alpha (since inception) ⁷	0.38
Beta (since inception) ⁸	0.91
R-Squared (since inception) ⁹	0.95

SECTOR ALLOCATION



*Also includes Other Assets & Liabilities.

REGION / COUNTRY ALLOCATION OF EQUITIES

Wasatch Emerging Markets Small Cap Fund

Region	Country
Asia	India 23.4%
Middle East/Africa	South Africa 11.0%
Latin America	Brazil 10.9%
Eastern Europe	Indonesia 10.7%
Western Europe	China 8.4%
North America	Thailand 4.8%
Australia/New Zealand	Taiwan 4.2%
Other	Other 26.6%
Total	100.0%

Excludes cash & cash equivalents, written options, and short sells.

TOP 10 EQUITY HOLDINGS

AS OF 9.30.10

Company	% of Fund
LIC Housing Finance Ltd. (India) Mortgage lender.	2.2
Mr Price Group Ltd. (South Africa) Apparel and home products retailer.	2.0
Bata India Ltd. (India) Footwear and accessories.	2.0
Exide Industries Ltd. (India) Batteries manufacturer.	1.9
Mahindra & Mahindra Financial Services Ltd. (India) Vehicle loans.	1.9
PT Holcim Indonesia Tbk (Indonesia) Cement maker.	1.8
Cia. Hering (Brazil) Clothing and accessories manufacturer.	1.7
Globaltrans Investment plc GDR (Russia) Railway transportation services.	1.6
Allahabad Bank Ltd. (India) Consumer bank.	1.5
CETIP S.A. (Brazil) OTC clearing house.	1.5
Total	18.1

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



Deeper, Disciplined Investing™

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

P.O. Box 2172 • Milwaukee, WI 53201-2172

Wasatch Funds are distributed by ALPS Distributors, Inc.

¹The MSCI Emerging Markets and Emerging Markets Small Cap Indices are free float-adjusted market capitalization indices that are designed to measure the equity market performance of emerging markets. As of June 2009, the MSCI Emerging Markets Indices consisted of the following 22 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. The Small Cap Index is composed of stocks, which are categorized as small capitalization stocks by MSCI. You cannot invest directly in these or any indices. ²Estimated percentage increase in Earnings Per Share (EPS) per year of the fund's holdings over the next 5 years. These returns are not guaranteed. Actual EPS growth may be higher or lower. Source of estimated EPS growth: Wasatch and FactSet. ³The sum of the stock prices of the fund's holdings divided by the aggregate earnings per share of those holdings for the past 12 months, calculated as a weighted harmonic average. ⁴The trailing 12-month P/E ratio divided by the estimated 5-year EPS growth rate provides an indication of whether a portfolio is overvalued or undervalued. Portfolios with a number less than 1.0 would be considered undervalued, around 1.0 would be considered fair valued, and significantly greater than 1.0 would be considered overvalued. ⁵The average market capitalization of companies held by the fund, weighted in proportion to their percentage of net assets in the fund. ⁶A measure of trading activity in the fund's portfolio since inception expressed as a percentage of the fund's average total assets. ⁷The fund's alpha, beta and r-squared are calculated in relation to a market index since the fund's inception. Market proxy: MSCI Emerging Markets Small Cap Index. Alpha is a measure of a fund's risk/reward potential. A positive alpha means the fund outperformed the index. A negative alpha means the fund underperformed the index. ⁸The measure of a fund's risk in relation to the market. A beta of 0.8 means the fund's total return is likely to move up or down 80% of the market change; 1.25 means total return is likely to move up or down 25% more than the market. Beta is referred to as an index of the systematic risk due to general market conditions that cannot be diversified away. ⁹R-Squared measures (from 0 to 1.00) how closely a fund's movements are correlated with movements of its benchmark index. An R-squared of 1.00 would mean that the fund's movements are completely correlated with the movements of its benchmark index.