

Corporate Social Responsibility



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A letter from our Chairman and Chief Executive Officer

To our many stakeholders,

I am pleased to share our 2021 Corporate Social Responsibility (CSR) Report, which underscores the tangible actions we are taking to integrate Environmental, Social and Governance (ESG) principles into our business, while continually evolving how we meet the changing needs of our stakeholders.

Our previously announced (April 2021) strategic alliance with Xavier University of Louisiana (XULA) that provides gap (not full) scholarships and funds to launch the school's first student-managed investment fund is one example of the work we are doing. By exposing more students of color to the asset management industry, we endeavor to increase the number of diverse candidates entering the field.

In addition, I have joined the XULA President's Advisory Board and have been enjoying learning more about the University and how we can have a meaningful impact on students' lives. Going forward, we aim to deepen the relationship by providing opportunities for our employees to mentor XULA students and by potentially offering internship and entry-level employment opportunities.

We're also proud of the work that our employees are doing in our communities, including support of American Red Cross Disaster Relief during the February 2021 winter storms and the devastation that Hurricane Ida brought to the Gulf Coast in August. Our employee resource groups also led firm-wide efforts to support organizations such as Dress for Success, Toys for Tots, and others.



David C. Brown
Chairman and
Chief Executive Officer

Integrating Responsible Investing (RI) principles into our investment processes remains an important priority. Our progress last year included creating a Responsible Investing Oversight Council as well as launching three ETFs that integrate ESG criteria into their investment processes. In addition, we completed the acquisition of THB Asset Management (THB), which for more than 25 years has incorporated ESG principles into its research process. We also acquired an alternative asset management firm focused on investments in clean energy infrastructure projects and companies. Lastly, we implemented new sustainable proxy voting policies, related research, and a coordination platform for the 2021 proxy season.

From a Corporate Governance perspective, we made a significant move to equally empower individual shareholders by eliminating the company's dual-class share structure and ensuring a **one share, one vote** structure.

We hope you enjoy our 2021 report and invite you to reach out to us to learn more.





Introduction

Victory Capital began the year with a familiar challenge: a changing pandemic that complicated our employees' safe return to the office. Still our employees' underlying energy and determination to deliver for our clients and shareholders never wavered.

Our people are a driving force behind many of the accomplishments detailed in this report, and they will help tell the story of our 2021 Corporate Social Responsibility (CSR) and Responsible Investing (RI) accomplishments.

The progress we are talking about:



2021 Timeline

JAN	FEB	MAR	APR
Several employees began the year three months into the McKinsey Black Leadership Academy.	Became a member of the Ceres Investor Network on Climate Risk and Sustainability.	Established a number of Employee Resource Groups (ERG).	Oversight of ESG initiatives added to Board Nominating, Governance & Sustainability Committee responsibilities.
MAY	JUN	JUL	AUG
Created new an Asian American Employee Resource Group (AAERG).	Victory University featured live digital event for employees entitled: ESG Investing 101.	Xavier University of Louisiana awarded gap-funding scholarships to the initial 12 recipients referred to as VCM Scholars.	The Women at Victory (W@V) ERG held clothing drive to support Dress for Success.
SEP	OCT	NOV	DEC
Donation micro site set up at American Red Cross to help employees contribute to hurricane and wildfire relief efforts.	New videos focused on disability inclusion added to our diversity, equity and inclusion eLearning solution.	Completed acquisition of an Investment Franchise focusing on clean energy investments.	W@V and Military ERG spearheaded a toy drive benefitting Toys for Tots.

Victory Capital views Environmental, Social, and Governance (ESG) principles through two lenses: Corporate Social Responsibility (CSR) and Responsible Investing (RI).

CSR reflects how well we address our own ESG concerns, which include our impact on the environment and our approach to diversity, equity, inclusion, and corporate governance.

Victory Capital is a signatory of the UN-supported Principles for Responsible Investment (UNPRI). A customized approach to RI focuses on providing access to specialized ESG research tools and data, so each Investment Franchise has the means to integrate ESG factors in a manner consistent with specific client objectives.

Common industry approaches to RI include:

ENHANCE

Looking for systematic and explicit ESG factors as a way to supplement or enhance traditional financial analysis to potentially improve risk-adjusted return outcomes.

AVOID

Avoiding companies, sectors, or countries based on ESG concerns or because they are outside of certain standards, norms, or values (e.g., Socially Responsible Investing, Norms-Based Screening, Faith-Based Investing, etc.).

IMPACT

Owning companies with the specific intent of creating a measurable beneficial social or environmental impact in addition to a financial return.

5 WAYS ESG ADDS VALUE



when it comes to
corporate social responsibility

1 Mitigates risk

2 Enhances reputation

3 Reduces cost &
enhances valuation

4 Retains talent

5 Augments stakeholder value



Climate change



The conversation about global climate change prompts us to reflect on our possible contribution to this phenomenon. Even though the carbon footprint of asset managers like Victory Capital is small relative to other industries, we continue to take steps to reduce our impact on the environment. For example, 85% of our employees work in LEED certified buildings.¹

In addition, one of our newly acquired Investment Franchises focuses its investments on clean energy infrastructure companies. The projects it has funded have (cumulatively through 2021) offset millions of metric tons of carbon dioxide equivalents. The greenhouse gas abatement those projects create is equivalent to planting tens of millions of trees or removing hundreds of thousands of cars from roads.

WHERE VICTORY CAPITAL PEOPLE WORK

LEED Certification Status	2020		2021	
	EMPLOYEES	LOCATIONS	EMPLOYEES	LOCATIONS
LEED Certified – Platinum	108	2	102	2
LEED Certified – Gold	22	2	22	2
LEED Certified – Silver	190	1	232	4
LEED – Certified	0	0	7	1
Not LEED Certified	60	4	65	5
Working Remotely	49	38	58	52
TOTALS	429	47	486	66
% Working in LEED Buildings²	84%		85%	

¹ Certified by the U.S. Green Building Council for Leadership in Energy and Environmental Design (LEED).

² Excludes employees working remotely.

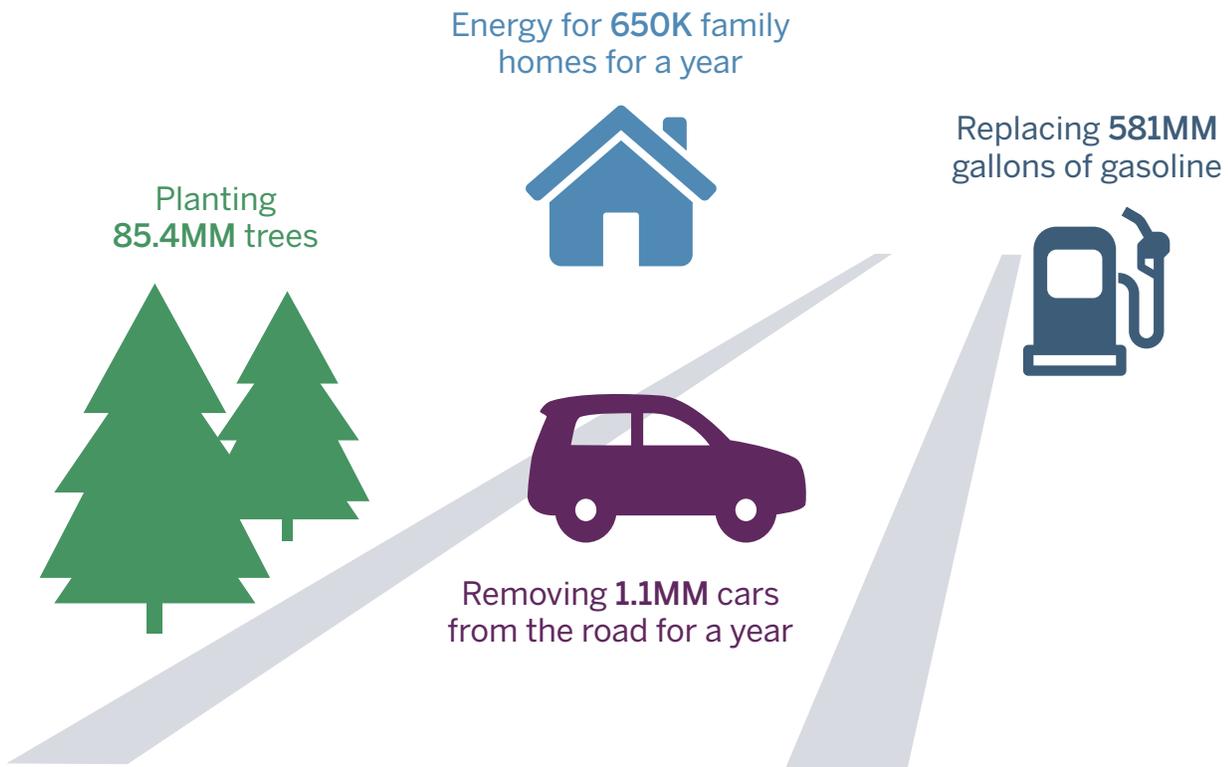


As society transitions from responding to the effects of climate change to trying to stop it, one challenge is the responsible production of key enabler commodities that underpin many sustainable products needed to help mitigate greenhouse gas emissions now and in the future. Victory Capital offers investment opportunities in structurally advantaged owners of key assets required for the successful shift to a zero-carbon future.

Dave Alt, CFA

Director of ESG & Responsible Investing
Victory Capital

The CO₂ offsets created by Victory Capital Investment Franchise portfolios are equivalent to at least...



...for calendar year 2021, they amount to nearly 5.2 million metric tons of carbon dioxide equivalents.



Creating an inclusive culture



Victory Capital is focused on creating an inclusive culture because we understand it is a crucial aspect of effective teams. Our employees come from diverse backgrounds, and it is imperative that everyone feels valued and respected at work. Every one of our employees must embody the spirit of inclusivity if we are to maintain the innovative and vibrant environment for all to be their best, both individually and as part of a successful team.

Our diversity and inclusion strategy is set by our Diversity, Inclusion, Cohesion, and Engagement (DICE) Committee, which includes a cross section of leaders from all business functions across the firm. The DICE Committee's mission is to foster an environment that attracts the best talent, values diversity of life experiences and perspectives, and encourages innovation and excellence.

The DICE Committee is charged with developing a comprehensive, integrated diversity strategy that

drives best practices, goals, and objectives, and monitors progress on results. The Committee builds knowledge on diversity and inclusion efforts and broadly shares their impact, which may support the case for adopting them throughout the enterprise. It annually assesses our diversity and inclusion objectives, and our progress toward achieving them, to ensure consistent alignment with strategic business objectives.

Because we seek to be more inclusive in our recruiting efforts, we use artificial intelligence and linguistics algorithms to help us create job posts and analyze communication with potential candidates.

This helps increase our appeal to a broader range of diverse job candidates and ensures our communications contain inclusive language. In 2021, various teams outside of human resources began using this software tool.



The Black Employee Resource Group (BERG) is a collaborative effort to provide feedback on issues such as retaining and recruiting minority candidates, helping to promote internal awareness, and recognizing significant cultural occasions like Juneteenth and Martin Luther King Jr. Day. The BERG also plays an important role in Victory Capital's strategic alliance with Xavier University of Louisiana.

Rodney Woodington

Director, Technology Operational Excellence
Victory Capital

Teambuilding

We established a teambuilding platform intended to strengthen the bonds between co-workers across functional and departmental lines. Victory's online bulletin board, ***Voices of Appreciation***, lets Victory Capital colleagues recognize team members in other departments for their exceptional performance.

We have established several internal groups that allow collaboration including Diversity & Inclusion, Corporate Social Responsibility, and Responsible Investing.

At the beginning of 2021, Victory Capital established a human capital development program entitled, ***Victory University***. This series of virtual events for employees features renowned speakers on a wide range of important and relevant industry topics.

Notable speakers and topics have included:

- > Jon Hale, PhD., Global Head of Sustainability Research at Morningstar – ESG Investing 101
- > Dr. Param Srikantia, PhD., Professor of Organizational Behavior at Baldwin Wallace University – Enlightened Consciousness in High-Performing Organizations
- > Nick Black, Founder & Vice Chairman at Stop Soldier Suicide – A veteran's path to entrepreneurship
- > Industry experts from McKinsey & Company – State of the Asset Management Industry

Victory Capital manages more than 120 mutual funds and exchange-traded funds (ETFs). Of those, over 80 percent have at least one named portfolio manager who is defined by EEOC guidelines as an ethnic, racial, or gender minority.

Our strategic alliance with Xavier University of Louisiana

In April 2021, Victory Capital proudly announced a strategic alliance with XULA, America’s only historically Black Roman Catholic university.

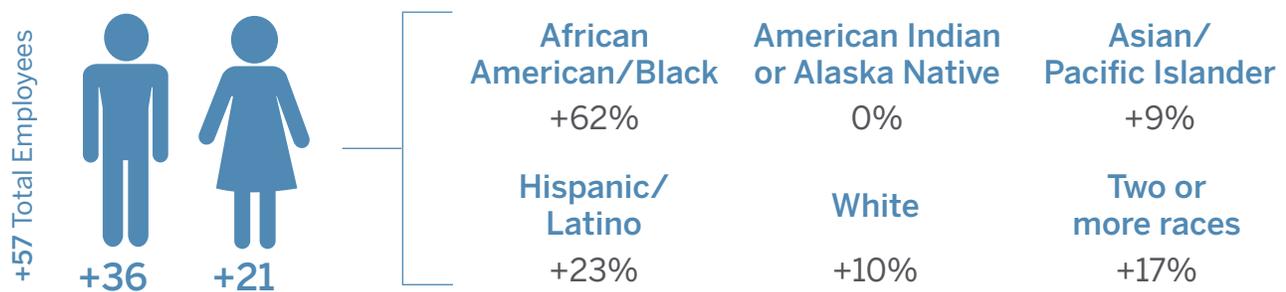
Our primary objective for entering into this relationship includes promoting a robust pipeline of high-quality candidates to build their careers in the investment management industry. We established a gap

scholarship program for students studying business or finance.

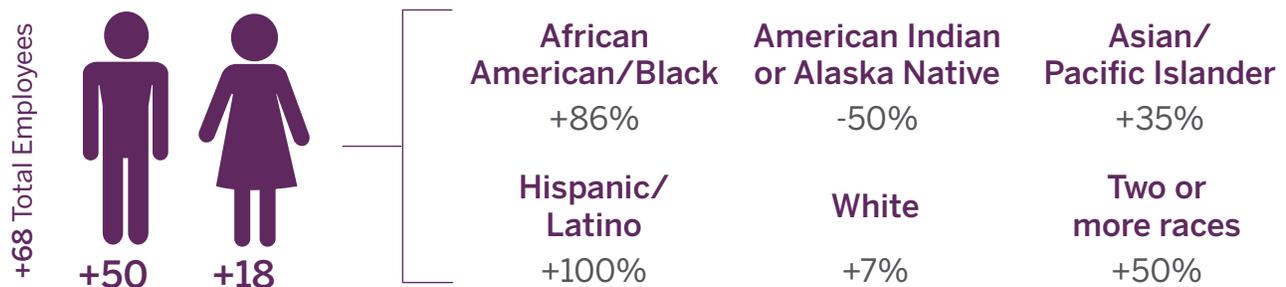
And we provided funding for a student-managed investment fund to give XULA students real-world investment management experience.

Victory Capital looks forward to continuing its involvement with XULA to help create a pathway for qualified individuals from underrepresented groups to access job opportunities in the asset management industry.

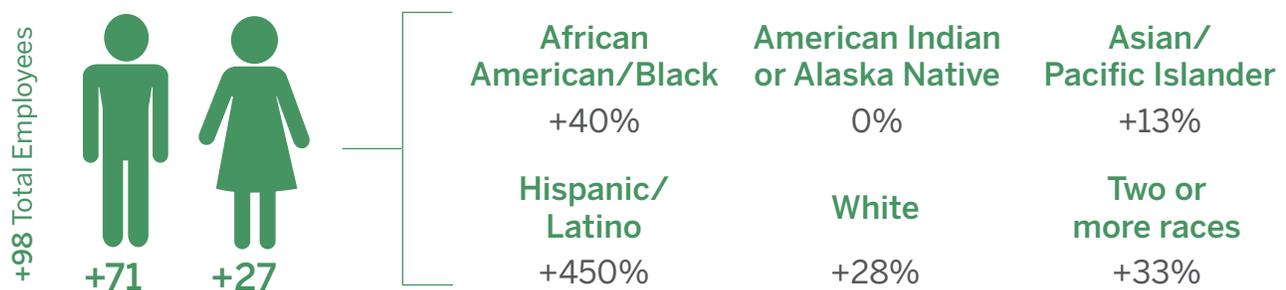
VICTORY CAPITAL – ANNUAL CHANGE IN HEADCOUNT FROM 2020–2021



VICTORY CAPITAL – ANNUAL CHANGE IN HEADCOUNT FROM 2019–2020



VICTORY CAPITAL – ANNUAL CHANGE IN HEADCOUNT FROM 2018–2019



Compound Return | Investment in the Future

To put into perspective our vision of the strategic alliance we have with Xavier University of Louisiana, consider the potential impact this may have on students.

Perhaps one or more of the Victory Capital Scholars, or those working on the investment fund, could become summer interns at our company. Some might accept internships at other investment firms. It is possible that these same students could join us (or other firms) for full-time employment after graduation. Eventually one or more of them may become a financial analyst, portfolio manager, or mutual fund manager.

Maybe these students will find success in some other capacity in the financial services industry. Maybe the gap scholarships we provide will make the difference for a student faced with the difficult decision of staying in school or dropping out. According to Reynold Verret, President of Xavier University, "there are a lot of students who will not persist...because of financial issues. Especially with families that are economically

challenged, small things can become disastrous." Victory Capital offers plenty of opportunity for many of the students at Xavier University.

We believe XULA's student-managed investment fund will also have a profound impact on those who actively participate because it provides real, hands-on experience managing assets.

Students participating will create an investment policy statement that defines goals in terms of expected rate of return and risk parameters. They will conduct research to determine how to achieve their investment objectives. And then, they will commit real money and own real securities or funds.

This is more than just learning about investing. It's actual investing. It is a skill that can provide those who participate in the student-managed investment fund compound returns for years to come. The experience could benefit participants for the rest of their lives.



John McCauley, AIF

Head of Intermediary Retail Sales
Victory Capital

Paying it forward

John McCauley leads Victory Capital's Sales and Distribution efforts in the Intermediary and Retirement channels. He has been with the firm for more than 18 years. John's unique approach to philanthropy allowed him to create some important lessons at home.

When I was eight years old, I started playing in a basketball league. I needed new shoes and my parents took me to a store to get a pair. This typically routine event has resonated with me my entire life.

I was looking for a pair of blue and white Nike high-tops. And I found them. But there was a problem. They were \$7 over my parents' budget. At the time, that was a big deal. But they made it work. They sacrificed something else so that I could get those sneakers.

For as young as I was, I realized what they had done. It made a huge impression on me. And it was the inspiration for a family project I started when my daughters were nine and 14.

It started during the winter holidays. My girls and I would donate seven pairs of blue and white sneakers to charity. The main goal was to get them involved in a fun way to teach them about the importance of giving.

So, they pick out the shoes. They bring them in when they are delivered. They inspect them to make sure the shoes are what we ordered. Then, they repackage them to go to the designated charity. My girls are completely involved. That's the whole point.

They are at ages when projects like this make lifelong impressions.

The sneakers project has meaning for me personally, and I want my daughters to see that passion. But it's not about the shoes. The most important lesson is why we do it. It's about conveying to them the importance of giving back. And we talk about what that means.

Giving back can mean a financial donation. It can mean volunteering time with a charitable organization. It could be performing community service to help those not as fortunate as we are.

My goal is to encourage them to find something they are passionate about and explore it. Ideally, I want them to find activities, endeavors, and opportunities that they're not just passionate about, but that can also serve other people in a positive manner. To me, that combination is perfect.

Another important aspect of the lesson is follow-through. That's why we now do this every quarter. You need to stick to whatever it is you do to give back; from delivering sneakers, to volunteering, to making other charitable contributions. This is why our sneaker project has continued since that first holiday season.

The impetus is my passion that goes back to buying those original sneakers with my parents as a child. It's a way of honoring their sacrifice. Teaching my daughters that philanthropy matters is also a way of paying it forward.



A team from Victory Capital volunteered last August at the McNay Art Museum in San Antonio to help Operation Homefront, a nonprofit that supports military families. We assembled art kits for children of active duty and veteran service members. The kits gave them supplies to be creative at home. It was awesome to bring those kids some joy.

Thomas Allman

Investment Analyst

VictoryShares® & Solutions

Community service

Victory Capital encourages employees to build strong ties within their community by volunteering with local organizations to make a positive impact. Every calendar year, all full-time employees may use up to 16 hours of paid time off for community volunteer activities.

While this has been difficult to do in-person during the pandemic, our employees continue to find opportunities to give back to their local communities.

Offering support where and when it's needed

In 2021, Victory Capital worked with the American Red Cross to benefit people affected by winter storms in Texas and nationwide in February, Hurricane Ida in August, and wildfires that raged in several states throughout the summer.

With the help of our colleagues, our CEO David Brown, a Victory Capital corporate donation, and matching gifts, we raised tens of thousands of dollars for disaster relief.

Supporting education and the military

Throughout 2021, we continued to launch new educational content through our multimedia investor

learning center aimed at service members transitioning from active duty to civilian life. This included new installments of our inspirational video series, ***Road to Victory***, which showcases powerful stories of different veterans' financial journeys. And we continued to add new educational content focused on Military Financial Readiness.

In November, we initiated a new feature within Victory University, entitled ***Victorious Veterans***. The series introduces our employees to veterans who have transitioned to successful careers in academia, business, or the nonprofit world after their military service. It is intended to celebrate their accomplishments and highlight the challenges they faced to achieve them.

Victory Capital thanks all of our veterans and active-duty military for their service to our country. We also give thanks to their families for the sacrifices they make. Victory Capital's ongoing commitment to the military community and their families includes helping them establish plans for their future financial success. We strive to deliver on that commitment every day.



In 2021, the Victory Capital Scholars Program at Xavier University provided \$50,000 of direct financial support to pay student expenses not covered by existing grants and awards. These “gap” scholarships were granted based on need and merit. As part of our commitment to the military, the Scholars Program offers special consideration to students in the Post-9/11 GI Bill's Yellow Ribbon Program.³

Matthew Dennis, CFA

*Chief of Staff & Director Investor Relations
Victory Capital*

Employee resource groups

According to the Society for Human Resource Management, employee resource groups are good for business. They can help companies achieve their diversity goals and create stronger employee connections beyond the individual affinity groups.

In early 2021, we asked our employees for their input regarding the creation of various ERGs to connect and focus our diverse workforce on collaborating on common goals and shared values.

They responded enthusiastically. We were excited that the following ERGs were quickly established:

- > Asian American (AAERG)
- > Black Employee (BERG)
- > Military Employee (MERG)
- > Women (W@V)

We expect these working groups to be part of the mechanism that helps inform Victory Capital leadership on important matters related to diversity and inclusion.

Members of our employee resource groups have opportunities to connect with mentors and supportive

colleagues across the company and can help Victory Capital identify and develop emerging talent and groom future leaders.

The members of these employee-led groups can rely on Victory Capital leadership for formal validation and recognition, the support necessary to be successful, an open ear to consider new ideas, and encouragement to pursue new interests.

An important characteristic of our ERGs is that each member views their role as extending beyond the workplace. For example, the Black Employee Resource Group is an integral part of how we will work with Xavier University. And the Military Employee Resource Group and the Women at Victory work together to host toy drives for the Marine Corps Reserve's Toys for Tots program.

The work these ERGs are doing aligns with Victory Capital's desire to be a responsible corporate citizen. Their volunteer efforts are an example of the generous spirit of our employees. And their individual agendas have established tangible goals that are in line with our company's core values. They play a key role in making Victory Capital a more inclusive place to work.

³ The Yellow Ribbon GI Education Enhancement Program is a part of the Post-9/11 Veterans Educational Assistance Act of 2008. Eligible students include those who served at least 36 months of active duty, Purple Heart recipients, service members who were honorably discharged with a service-connected disability, and dependents whose parent has transferred benefits.

Enrique (Henry) Dominguez, Jr.

Petty Officer First Class

U.S. Navy Reserve

A pretty good year

Henry Dominguez joined USAA® in 2013. He is a Service Specialist in Victory Capital's Direct Investor Business. He has been deployed three times over the course of his career, twice in the last two years. He has a unique take on the meaning of military leave.

I was aboard a guided missile cruiser in the Arabian Sea when Victory Capital acquired USAA Asset Management Company. I returned from that deployment at the tail end of the transition from my old employer to my new one. At the beginning of the week I was a USAA employee and by Wednesday I was a Victory employee.

Less than nine months later, I got deployed again. I remained stateside. But I was away from home and Victory Capital for a full year. But it was a pretty good year.

A big part of that was the people in Victory Capital's Human Resources (HR) department. They handled all my questions and concerns. They were so polite and professional. I want to thank them and let them know how great they were and recognize them for their compassion.

They told me and my wife that they would handle things directly if we needed something while I was away. They gave us their cell numbers and email addresses and said my wife could contact them if something came up. We were very appreciative of that.

It helped me out mentally to know that Victory Capital was there to back me up. The military leave program we have is just exceptional!

I came home to the same job at the same desk next to the window. The President of our Direct Investor Business came to say hi and welcome me home. One of my colleagues decorated my desk in red, white, and blue and a big Welcome Home sign. That's what I like about the atmosphere here.

Even though I was away for a year, a lot of good things happened. During my deployment, we sold our house and bought a bigger one. We welcomed our second grandson. We were able to pay down some debt. The kids are doing good. The family's doing good.

Yeah, a pretty good year.



Some of the goals of Victory Capital's Military Employee Resource Group (MERG) include connecting the military family within Victory, networking, career development, and volunteering. We honor special days for the military, such as each branch's birthday. We use the firm's intranet to deliver networking information. And we provide feedback on Victory's social media content for the military community.

Trevor Cox, CFA

Sr. Fixed Income Analyst

USAA Investments, A Victory Capital Investment Franchise

Employee benefits

Victory Capital has long prided itself on promoting a stable work/life environment in an effort to minimize work-related stress and promote the general health and well-being of our people. This balance is an integral part of who we are.

In 2021, we introduced the following enhancements to our employee benefits plan starting in 2022:

- > Employer contributions to Health Savings Accounts increased to \$1,750
- > The Wellness Benefit increased to \$500 per year and the program expanded to include reimbursement for exercise equipment
- > Juneteenth has been added to our list of paid holidays
- > Our annual Matching Gift limit rose to \$300 per employee
- > A tuition reimbursement program was formalized

LIST OF BENEFITS

- | | | |
|---|--|--|
| 401(k) plan | Discounts on pet, home, and auto insurance | Legal service products provider |
| Accident and critical illness | Discounts on travel and entertainment | Life and disability insurance |
| Automated health benefits platform app | Education expense reimbursement | Medical insurance |
| Centralized healthcare benefits platform | Employee assistance program | Mothers' lactation rooms |
| Childcare expense reimbursement | Flexible spending account | Paid maternity/paternity/adoption benefits |
| Commuting allowance | Genomic cancer screening | Paid military leave |
| Dental and vision insurance | Health savings account | Standard paid time off |
| Discounts and promotions from leading national brands | Hospital indemnity and transport | Term life and whole life |
| | Identify theft protection | Unlimited paid vacation |



Our diversity initiatives and strategies are designed to attract, develop, retain, and advance the most talented individuals regardless of their race, sexual orientation, religion, age, gender, disability status, or other dimension of diversity. We're committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives.

Nina Gupta

Chief Legal Officer and Head of Human Resources Administration
Victory Capital

Victory Capital encourages a culture of ownership. And at the end of 2021, our employees owned approximately \$250 million of our investment products. More recently, some 78 percent of them held an equity interest in Victory Capital. Collectively their ownership represents 22 percent of the company's fully diluted equity.⁴

EMPLOYEE BENEFITS⁴ (by the numbers)

-  **206 hours**
of volunteer service paid
-  **480 hours**
of military leave paid
-  **\$15,727**
of matching gifts paid

EMPLOYEE OWNERSHIP⁴ (by the numbers)

Total Employees	Share Classes (of company stock)
499	1
# of Employees (with equity ownership)	% of Company (owned by employees)
389	22%

⁴As of March 31, 2022.

Lela Dunlap, CFA

Associate Portfolio Manager
Victory Capital

**The clothing drive**

Lela Dunlap is an Associate Portfolio Manager at Victory Capital. She is part of the Solutions team responsible for managing the firm's asset allocation products, including target retirement and target risk funds and components of our 529 Education Savings Plan portfolios. She is a member of W@V.

W@V is a community to support and empower women and champion their voices within Victory Capital and beyond. We formed the group out of a collective desire to help other people and to find ways to make their lives better.

One of the ways we do this is by sharing what we call "TED Talk Tuesdays." On the first Tuesday of every month we select a TED Talk topic to encourage introspection and discussion. We also post Friday Reflections, where employees can share inspiring quotes, passages, or thoughts on Fridays (or whenever).

In August, W@V organized a clothing drive to benefit the local chapters of Dress for Success, Career Gear, and other nonprofits in some of the cities where Victory Capital has offices.

We worked with organizations that empower people entering or returning to the workforce, that encourage economic independence through support networks and career training, and that provide professional attire to their clients.

We called our month-long event "Dress it Forward." It was a great success.

There were a lot of reasons for this. The first was that our group brought diverse perspectives and different ideas to make it fun. Our group has a lot of creative energy. But we were just the conduit between the nonprofits and Victory Capital's very generous employee base.

Our employees brought a wonderful giving spirit. They were happy to help. They donated cash and clothing. Some put notes of encouragement into the articles they donated. It was nice to see so many employees excited to give. I think they appreciated having an opportunity to get involved.

The sustainable practice of recycling clothes saves energy required to produce and transport new items. This event gave our colleagues the opportunity to donate clothing they loved (but maybe didn't wear very often). The event gave us a chance to help the environment and have some fun at the same time.

The clothing went to people who really need it, to people who are trying to better themselves and trying to improve their lives. It was nice to be part of that. So, Dress it Forward embodied the whole spirit of the W@V resource group. We plan to do it twice a year going forward.

Selling practices



Our investors are Victory Capital's most important stakeholders. Producing high-quality investment products that are suitable to meet their goals and offering them exceptional service are important to our company.

Nikhil Sudan

President, Direct Investor Business
Victory Capital

Transparent information and fair advice

We strive to communicate with customers about the risk and suitability of the products and services we offer and inform them about available investment alternatives. We seek to disclose perceived, possible, or potential conflicts of interest in a clear and transparent manner.

We comply with the rules and regulations promulgated under the many and various securities laws that govern investment advisors and broker-dealers. Our internal policies detail specific guidelines and review processes that are designed to ensure our communications with the public are clear, fair and balanced, include appropriate disclosures, and are compliant

with all applicable regulations. All marketing communications are reviewed and approved in advance of dissemination.

Individuals on our product distribution teams undergo extensive background checks and are licensed through the Financial Industry Regulatory Authority (FINRA). We are dedicated to maintaining an educated, competent, and ethical sales force.

Victory Capital also complies with all applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA) regarding transactions in employee benefit accounts.



In 2021, we launched VictoryVirtual, a new series of webinars to share with investors our perspectives on the markets and investing. Registration and attendance have grown dramatically. This is significant because these very interactive events give us an opportunity to engage with investors in a more personal manner than written reports or email.

Derek Ketel

Head of Sales, Direct Investor Business
Victory Capital



With the number of cyber-related attacks continuing to rise, there is no shortage of attention to this topic. Although we have an assortment of technical controls to protect our environment, a well-informed workforce – the “human firewall” – is our most effective cybersecurity risk mitigation. Security is everyone’s responsibility.

Jeff A. Dietry, CISM

Chief Information Security Officer
Victory Capital

Data security

The virtual interconnectedness of nearly all web-enabled devices creates potential cyber risks and ongoing challenges for financial services firms like Victory Capital. Our company takes data security seriously because it is crucial to our company’s sustainability and long-term value creation.

Victory Capital has a number of processes and procedures in place to reduce cyber risk and data breaches from internal or external threats, whether they are deliberate or accidental. We have a number of administrative, technical, and physical security controls in place to protect the integrity and confidentiality of data.

- > We conduct annual security awareness training and periodically conduct phishing exercises to reinforce that training
- > We use data centers that are geographically dispersed and independent of our office locations
- > We perform annual business continuity and disaster recovery plan testing
- > We conduct penetration testing and security assessments to evaluate our overall security to confirm we can adequately withstand evolving and increasingly sophisticated threats

Not only is protecting data crucial to Victory Capital's business operations, it is also critical to maintaining our clients' privacy.



We use data to help make decisions in all aspects of our business. Artificial intelligence helps our sales and service teams make better recommendations to both individual and intermediary clients. In 2021, harnessing the power of our data has created a competitive edge in how we engage with our investors and has also increased our operating efficiency. We’re expanding our capabilities into near real-time machine learning operations (MLOps) to relentlessly create an even better user experience for our clients.

Justin Hoffman

Head of Data and Analytics
Victory Capital



Business model and innovation

In addition to the two new Investment Franchises that help us expand our ESG-related investment offering, it is noteworthy to discuss our third acquisition of 2021 in the context of innovation. WestEnd Advisors became our 12th Investment Franchise in December, and its addition is truly transformational to our business.

WestEnd uses a sector-driven macroeconomic process to efficiently implement actively managed global ETF strategies. This represents a new dimension of growth and diversification for Victory Capital because WestEnd delivers the types of products that we believe investors are demanding to help them build more complete portfolios.

Our industry continues to evolve. We continue to stay in front of product trends by introducing the products that our clients are demanding and that help round out their portfolios. The launch of a new private fund for accredited investors indexed to cryptocurrencies is yet another example of our commitment to product innovation to meet client objectives.

At the same time, we continue to achieve meaningful progress toward a number of important strategic priorities.

- > **Data analytics** – to help us make better business decisions and tailor messages to different audiences
- > **Digital engagement** – to help us better serve our clients, increase brand recognition, and leverage our presence on various social media platforms
- > **Accretive acquisitions** – to help us evolve our investment capabilities, address changing buyer behaviors, and expand our delivery platform to serve clients more comprehensively
- > **ESG integration** – to help deliver social and investment value for clients and address growing investor demand

These are some of the many reasons that Victory Capital remains a growth company in an industry where many struggle to maintain the status quo. The effectiveness of our unique business model and our innovative approach to product development and product lifecycle have a direct impact on our long-term success.



Client Portfolios and Relationships

Joint Functions	Central Functions	Franchise Functions
<ul style="list-style-type: none"> > Relationship management > Client reporting/analysis > Consultant relations > ESG considerations 	<ul style="list-style-type: none"> > Operations management > Technology/infrastructure > Compliance and legal > Marketing and distribution 	<ul style="list-style-type: none"> > Risk management > Security selection > Research

Advisory services offered by Victory Capital Management Inc. or its affiliate, WestEnd Advisors, both SEC-registered investment advisers. WestEnd Advisors provides the day-to-day management, significant operational support, and compliance oversight of portfolios for which it serves as the investment adviser.

Highlighted financial results

Successful execution of our strategic priorities helped Victory Capital earn the recognition of one of the world's leading business publications. This recognition belongs to all of our stakeholders.

We are grateful to our employees, who because of the work they do every day to deliver for our investors, helped to make this happen. It would not have

been possible without their dedication to investment excellence and commitment to exceptional service. It is also important to thank our clients and shareholders for their continued trust in us.

Financial performance is the result of operational excellence. Our long-term financial stability is also dependent upon sound corporate governance as this helps drive our long-term value creation.

FINANCIAL RESULTS

	2021	2020	2019	2018	CAGR
Revenue*	\$890.3	\$775.4	\$612.4	\$413.4	29.1%
Operating Income	\$373.8	\$314.7	\$164.6	\$114.5	48.3%
Net Income	\$278.4	\$212.5	\$92.5	\$63.7	63.5%
Cash Dividends Declared per Share	\$0.53	\$0.23	\$0.10	\$0.00	N/A

* in millions of dollars except dividends per share.



Our unique business model was thoughtfully structured to encourage our autonomous Investment Franchises to make independent portfolio decisions without distractions like administrative, operational, or distribution responsibilities.

Kelly Cliff, CFA

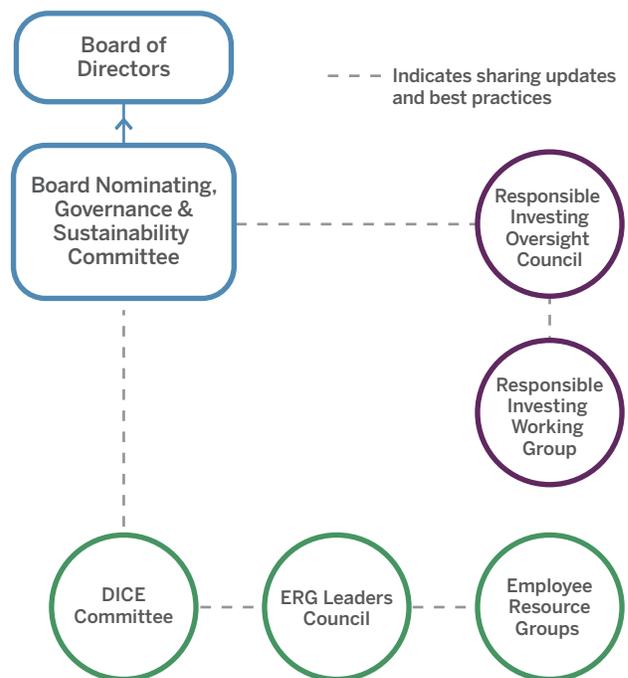
*President, Investment Franchises
Victory Capital*

Leadership and governance

During 2021, we made a number of strategic moves that we believe improve how our company is governed. For example, we added Board-level oversight to the company’s sustainability initiatives. We created a Responsible Investing Oversight Council to help ensure that we adhere to industry best practices. And we added an ERG Leaders Council to help incorporate employee suggestions into our DICE Committee’s ongoing initiatives.

In November 2021, we eliminated the company’s dual-class share structure. We believe this aligns the voting rights of all shareholders directly with their specific economic interests. The single class share structure ensures that all shareholders have the same voting rights, with no class having greater influence on company business than any other share class.

BOARD-LEVEL SUSTAINABILITY



Our financial stability drives our sustainability. Our fiscal controls, devotion to transparency, and passion for what we do make all of this possible.

Cathy Savvas, CPA

*Controller
Victory Capital*



Our fiduciary responsibilities apply to a broad range of investment and operational functions and also include certain activities that employees might engage in outside of work, which may present real or perceived conflicts of interest. It is the responsibility of all employees to fully understand and comply with Victory Capital's internal policies and our Code of Ethics.

D. Brent Rowse, CIA

Compliance Officer
Victory Capital

Responsible investing

Victory Capital believes that investing in sustainable companies may improve risk-adjusted performance over time. Companies that are able to properly manage their material ESG risks (or take advantage of their specific ESG opportunities) are often more sustainable than their competitors. In some cases, they may also produce better long-term investment returns for shareholders.

Each of our Investment Franchises maintain its own investment processes and independent voice. This is one of the benefits of our business model. It ensures investment autonomy and specialized thinking among our investment teams. It allows them to do what they do best and to focus on client-specific objectives.

So, our Investment Franchises and Solutions Platform follow their own approaches to ESG considerations as part of their autonomous investment processes. The extent to which each is implementing responsible investing methods continues to evolve.

Reporting to SASB standards

Victory Capital joined the Sustainability Accounting Standards Board Alliance in 2020. Our membership helps us develop and explore the most effective procedures for integrating material sustainability information into our existing processes and public disclosures.

It helps us better report to SASB standards regarding the financial impacts of sustainability on our business. We also use SASB's ESG materiality framework in our investment decision making and engagement with companies.

Streamlined proxy voting guidelines

We enhanced our proxy voting processes in 2021. We use data analytics to find ESG issues in the proxy proposals of the companies we own to help us vote in a manner consistent with recognized positive ESG positions.

The changes we have made also improved our engagement capabilities and increased our effectiveness as shareholder advocates.

CULTURE OF COMPLIANCE

Victory Capital's primary objective is to provide value through investment advisory, sub-advisory, and other financial services to a wide range of clients, including institutions, intermediaries, retirement plans, financial advisors, 529 education savings plan account holders, and individual investors.

We require that all dealings with existing and prospective clients be handled with honesty, integrity, and the highest ethical standards. Each employee has a responsibility to act in a manner consistent with those requirements.

It is imperative that Victory Capital employees actively work to avoid the possibility (or even the appearance) of self-interest. All employees must act solely in the best interests of our clients.

Top five requirements of a financial fiduciary

- > Put clients' interests first
- > Act in good faith and provide all relevant facts
- > Avoid conflicts of interest and disclose actual conflicts
- > Ensure advice is accurate and thorough
- > Avoid self-dealing

In 2021, we accomplished the following:

- > **Proxy Voting Guidelines** – The structure of our custom proxy voting policies moved from a more traditional (or benchmark) arrangement to include a greater focus on sustainability issues, helping us more effectively fulfill our commitments to the Principles for Responsible Investment
- > **Sustainability Research** – Supplemental research helps us better understand the sustainability issues a company may face in general or specifically related to particular proxy voting themes
- > **Coordination** – We use tools that allow us to notify investment teams (based on their stated preferences) about significant votes so our investment teams could review the associated research on the topic and vote accordingly
- > **Engagement** – Our investment teams are improving their engagement with companies on material ESG issues
- > **Vote Disclosure** – Streamlining our procedures improves our ability to track our proxy voting record (including ESG topics) and report it to investors and clients

VOTING RESULTS

Proposed by	Number of votes	Voted against management	%
Management			
Overall	57,280	6,846	12.0%
Uncontested director elections	29,591	3,896	13.2%
Auditor ratification	3,973	18	0.5%
Shareholder			
Overall	984	397	40.3%
Provide or update shareholder to act by written consent	73	69	94.5%
Require independent board chairman	40	37	92.5%
Report on climate change	34	23	67.6%



ESG considerations have become an important part of our investment process. We understand the increasing likelihood that material ESG considerations could make the difference between investment gains and investment losses.

Trae Willoughby, CFA, CPA

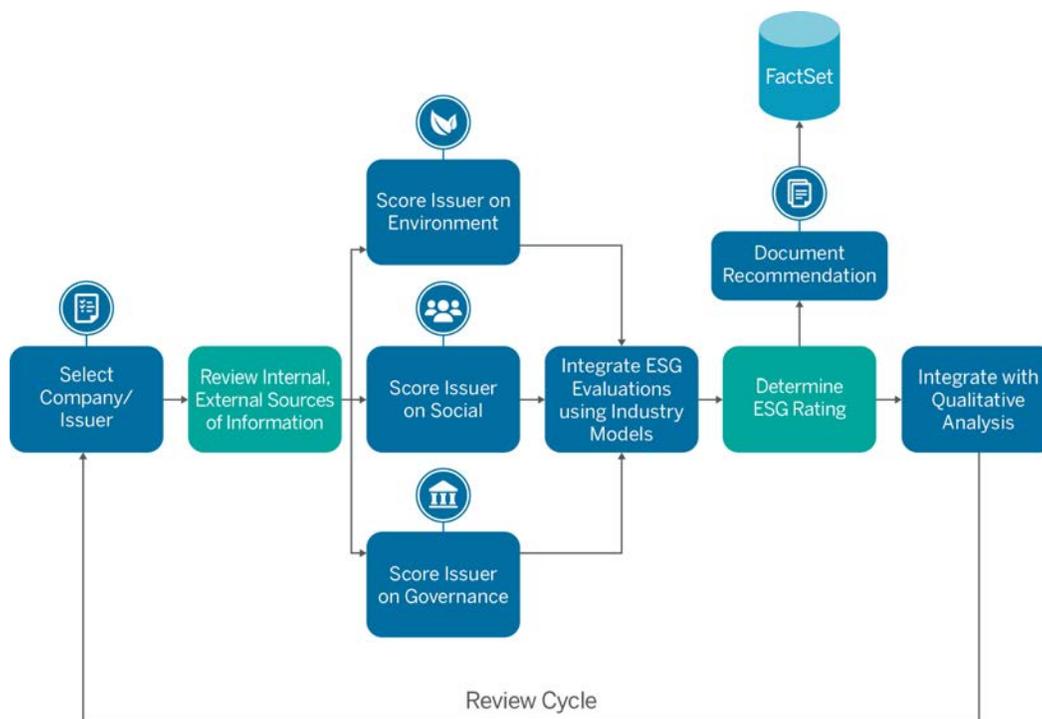
Head of Fixed Income Research

USAA Investments, A Victory Capital Investment Franchise

INVESTING THE ESG WAY

Some of our Investment Franchises utilize internal ESG rating systems. For example, USAA Investments, a Victory Capital Investment Franchise, integrates ESG considerations into its proprietary credit rating analysis.

- > Uses an internal model to score the ESG characteristics of every issuer whose bonds are considered for purchase
- > Incorporates those internally generated ESG scores into its proprietary credit rating methodology
- > Leverages a long-established and proven research infrastructure to conduct regular ongoing ESG monitoring of all issuers whose bonds are owned





THB Asset Management

THB is made up of a diverse team of investment professionals from all over the world, whose varied experiences and opinions inform their investment decisions.

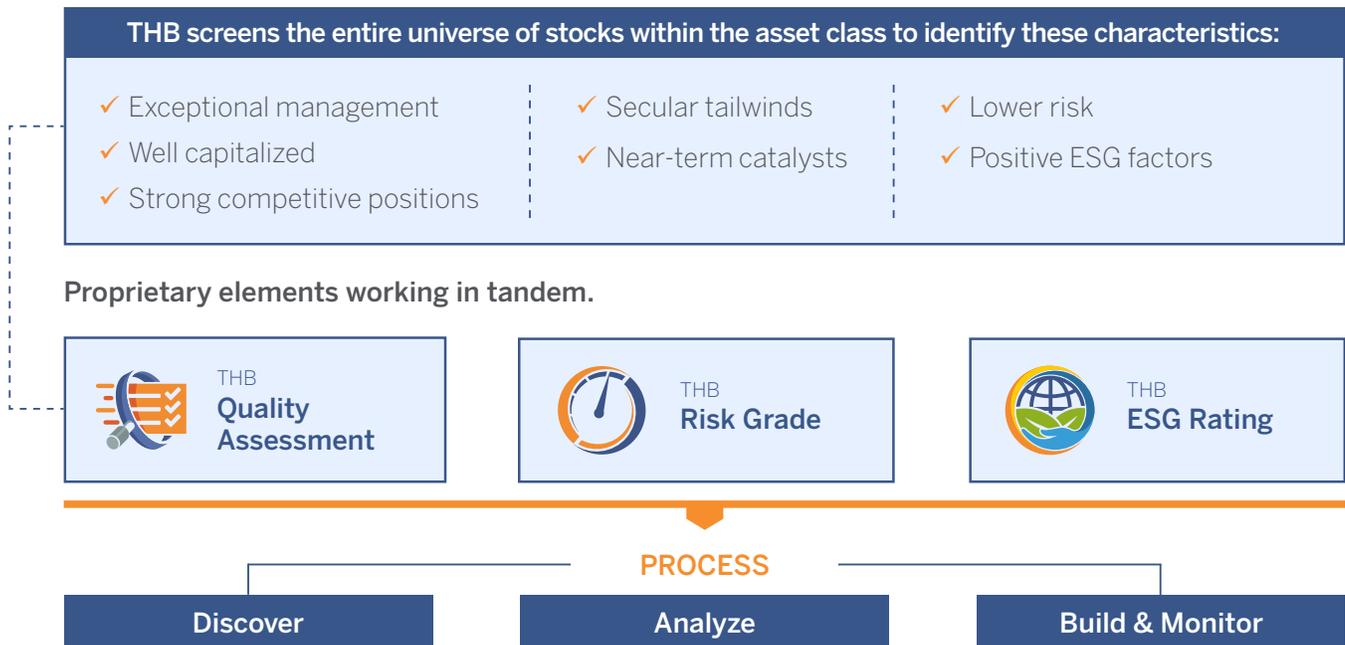
THB seeks opportunities in capacity-constrained asset classes such as small- and micro-capitalization companies. The availability of third-party ESG research in these asset classes is scarce. So, THB developed a proprietary ESG rating system.

The THB research process includes using publicly available information sources (e.g., websites, news stories, regulatory filings, etc.) to identify potential

ESG risks in candidate and portfolio companies. Active engagement with company management is an integral part of its decision-making and stewardship activities.

ESG is fully integrated into THB's investment philosophy. The firm is a signatory of the UNPRI and has committed to the Montréal Carbon Pledge. THB publicly discloses the aggregate carbon footprint of portfolios it manages.

The investment team recognizes that there is a correlation between high-quality companies, strong corporate citizenship, and long-term shareholder value creation.



Conclusion

By the end of 2021, the people of Victory Capital confidently accomplished a number of very ambitious goals.

We closed three important acquisitions that will improve our company in several ways:

- > Expand our ESG-related product offering
- > Offer alternative investment opportunities in the clean and renewable energy space
- > Deliver third-party ETF model strategies to investors

Our people helped our company to be an even more inclusive workplace with the creation of four employee resource groups.

We endowed a scholarship program at Xavier University of Louisiana and donated seed money to establish a student-managed investment fund and begin the process of managing a student-led investment portfolio.

Our employees continued their commitment to community service and raising money for various nonprofits.

We strive to make Victory Capital a better, stronger, and more desirable place to work. And we remain confident and optimistic that our continued ambition will lead to meaningful outcomes that will benefit each of our company's stakeholders.

Looking forward

Some of our goals for the coming year include the following.

Environmental initiatives

- > Publicly indicate support for the Task Force on Climate-Related Financial Disclosures (TCFD)

Social initiatives

- > Continue to support ERGs
- > Continue diversity and inclusion education initiatives
- > Extend the XULA scholarship program into 2022
- > Continue to mentor and counsel students at XULA

Governance initiatives

- > Join U.N. Global Compact

Responsible Investing initiatives

- > Further enhance our proxy policies, procedures, public disclosures, and engagement framework to accommodate regulatory changes and new PRI status
- > Continue to promote ongoing RI training for investment teams
- > Complete PRI Assessment Reporting
- > Establish Vote Disclosure System for all of our proxy votes

Victory Capital means Victory Capital Management Inc., the investment adviser of the USAA Mutual Funds and the USAA 529 College Savings Plan (Plan). The USAA Mutual Funds are distributed by Victory Capital Services, Inc., member FINRA, an affiliate of Victory Capital. The Plan is underwritten and distributed by Victory Capital Services, Inc. Victory Capital and its affiliates are not affiliated with United Services Automobile Association or its affiliates. USAA and the USAA logos are registered trademarks and the USAA Mutual Funds logo and the Plan logo are trademarks of United Services Automobile Association and are being used by Victory Capital and its affiliates under license.

Interests in the USAA 529 College Savings Plan (Plan) are municipal fund securities issued by the Nevada College Savings Trust Fund (Trust). The value of an investment in the Plan will vary with market conditions. The Plan is administered by the Nevada State Treasurer, Zach Conine. Victory Capital Management Inc. (Victory Capital) provides investment management services, and Victory Capital Services, Inc. markets and distributes the Plan. Ascensus Broker Dealer Services, Inc. serves as the Program Manager as well as effects account owner transactions in the Plan. Interests in the Plan are not guaranteed by the Trust, the Plan, the state of Nevada, the Board or any other governmental entities, or any USAA, Victory Capital or Ascensus entities and you could lose money.

Appendix: CSR Scorecard 2019–2021

		2019	2020	2021
(E) Environmental	% of Employees Working in LEED-Certified Buildings	83%	84%	85%
(S) Benefits	Flexible Work Options	Yes	Yes	Yes
	Health/Medical/Dental/Vision	Yes	Yes	Yes
	Paid Parental Leave	Yes	Yes	Yes
	Counseling	Yes	Yes	Yes
	Wellness Programs	Yes	Yes	Yes
	Retirement Programs	Yes	Yes	Yes
	Stock Purchase Plan Options	Yes	Yes	Yes
	Tuition Reimbursement	Case-by-Case	Case-by-Case	Case-by-Case
	Other Programs/Plans	Yes	Yes	Yes
	Life Insurance	Yes	Yes	Yes
(S) Diversity & Inclusion	Diversity and Discrimination Policy	Yes	Yes	Yes
	Diversity and Discrimination Policy – Women	Yes	Yes	Yes
	Diversity and Discrimination Policy – Veterans	Yes	Yes	Yes
	Diversity and Discrimination Policy – PoC	Yes	Yes	Yes
	Diversity and Discrimination Policy – LGBTQ	Yes	Yes	Yes
	Diversity and Discrimination Policy – Disability	Yes	Yes	Yes
(S) Employee Training	Compliance Training	Yes	Yes	Yes
	Leadership Training	Yes	Yes	Yes
	Personal Development	Yes	Yes	Yes
	Business Ethics Training	Yes	Yes	Yes
(S) Operational Performance	Privacy Policy	Yes	Yes	Yes
(S) EEOC Data	Global Employees	361	429	486
	% Male (Firm)	71.5%	71.8%	70.8%
	% Female (Firm)	28.5%	28.2%	29.2%
	White (Firm)	82.5%	74.6%	72.2%
	Black (Firm)	1.9%	3.0%	4.3%
	Hispanic (Firm)	9.1%	15.4%	16.7%
	Asian / Pacific Islander (Firm)	4.7%	5.4%	5.1%
	American Indian or Alaskan Native (Firm)	0.6%	0.2%	0.2%
2 or more (Firm)	1.1%	1.4%	1.4%	
(G) Board Members / Profile	Count	9	9	9
	Age (Youngest)	37	38	39
	Age (Average)	61.7	62.7	63.7
	Age (Oldest)	77	78	79

Appendix: CSR Scorecard 2019–2021

		2019	2020	2021
G) Board Members / Profile	Executive on Board (Excluding CEO)	No	No	No
	Percentage of Independent Board Members	89%	89%	89%
	Staggered Board	Yes	Yes	Yes
(G) Business Ethics	Whistleblower Protection – External Indicator	Yes	Yes	Yes
	Whistleblower Protection – Internal Indicator	Yes	Yes	Yes
	Bribery & Corruption Policy	Yes	Yes	Yes
	Anti-Money Laundering Policy	Yes	Yes	Yes
	Compliance Officer Indicator	Yes	Yes	Yes
	Audit Committee – Percentage Independent	100%	100%	100%
	Executive on Audit Committee	No	No	No
	Auditor Election Frequency	Yearly	Yearly	Yearly
	Auditor Name	E&Y	E&Y	E&Y
	Auditor Election Year	2019	2020	2021
(G) Compensation	Executive on Pay Committee	No	No	No
	Pay Committee – Percentage Independent	100%	100%	100%
	Compensation Disclosure for Executives	Yes	Yes	Yes
(G) Ownership & Control	Multiple Share Classes	Yes	Yes	No
	Proxy Access	Yes	Yes	Yes
	Confidential Voting	Yes	Yes	Yes
	Written Consent Permitted	No	No	No
	Golden Parachute	No	No	No
	Double Trigger	No	No	No
	Poison Pill	No	No	No
(G) Signatory	UN PRI Signatory	Partial	Yes	Yes
(G) Memberships	SASB Alliance	No	Yes	Yes
	Ceres Investor Network on Climate Risk and Sustainability	No	Yes	Yes
(G) ESG Corporate Ratings	MSCI ESG Research	BB	BBB	BBB
	Institutional Shareholder Services (ISS)	N/A	D (23.88)	D (24.51)
	Sustainalytics (lower value implies less risk)	N/A	31.2	29.6
(G) ESG Incorporation	Total AUM \$ (12/31/2021)	\$151.8 B	\$147.2 B	\$183.7 B
	ESG Integration (%)	N/A	13% ⁱ	12%
	Sustainability-Themed Investing (%)	N/A	1%	1%
	ESG Screening (%)	N/A	1%	2%

i. A more comprehensive methodology for calculating ESG Integration (%) was instituted in 2021, and the revised process applied to our 2020 data raised this value from 6% to 13%.

Appendix: SASB Index

TOPIC	ACCOUNTING METRIC	CODE	DIRECT RESPONSE / REPORT LOCATION [OR JUST RESPONSE]
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	0
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	0
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CF-230a.1	(1) 0 (2) 0% (3) 0
	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	FN-CF-230a.2	N/A
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	Victory Capital's information systems and data are managed consistent with Victory Capital's risk strategy to protect the confidentiality, integrity, and availability of information. Victory Capital protects clients' information and both the clients' and firm's assets from threats – internal or external, deliberate or accidental – through effective defense-in-depth layered security practices and robust controls.
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	(1) 0 (2) 0%
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	\$0
	Description of approach to informing customers about products and services	FN-AC-270a.3	<p>It is Victory Capital's policy to act primarily for the benefit of its client in matters related to providing investment advisory services. This duty is recognized in common law, in state statutes, and in federal statutes. Among other things, Victory Capital's policies require adherence to the investment objectives and specific investment policies and restrictions applicable to each account it advises. These guidelines are established in clearly written offering documents (in the case of pooled vehicles) and investment guidelines developed in conjunction with each investment client and their investment consultants (in the case of separate accounts). These guidelines are reviewed periodically for accuracy and updated for completeness. Victory Capital regularly reports on its investment operations through reporting required by law or client-specific reporting, depending on the type of client.</p> <p>Additional information about Victory's strategies and risks can be found on Victory Capital's website and in its Form ADV, which is available upon request or on https://adviserinfo.sec.gov/. For U.S. registered products (mutual funds and ETFs), this information can be found in the funds' prospectuses and Statements of Additional Information on vcm.com or on the SEC's EDGAR database along with other required reports that include details about investment performance and financial reporting. Victory Capital also maintains policies and procedures designed to comply with the rules, regulations and guidelines established by the SEC under the federal securities laws, FINRA, etc., requiring, among other things, advertising and marketing materials to be objective, fair and balanced and the mitigation of conflicts of interests. Similarly, Victory Capital engages in sales practices that comply with applicable rules and regulations and regularly monitors for adherence by its personnel.</p>
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	<p>(1) Executive Management (4 people). Gender: 75% Male; 25% Female. Racial/Ethnic Group: 75% White; 25% Asian/Pacific Islander.</p> <p>(2) Non-Executive Management (72 people). Gender: 79% Male; 21% Female. Racial/Ethnic Group: 79.2% White; 4.2% Black; 4.2% Hispanic; 8.3% Asian/Pacific Islander; 1.4% American Indian or Alaskan Native; 2.8% Two or More Races.</p> <p>(3) Professionals (387 people). Gender: 70% Male; 30% Female. Racial/Ethnic Group: 72.1% White; 4.4% Black; 18.4% Hispanic; 3.9% Asian/Pacific Islander; 0% American Indian or Alaskan Native; 1.3% Two or More Races.</p> <p>(4) All Other Employees (23 people). Gender: 48% Male; 52% Female. Racial/Ethnic Group: 52.2% White; 4.4% Black; 30.4% Hispanic; 13.0% Asian/Pacific Islander; 0% American Indian or Alaskan Native; 0% Two or More Races.</p>

Appendix: SASB Index

TOPIC	ACCOUNTING METRIC	CODE	DIRECT RESPONSE / REPORT LOCATION [OR JUST RESPONSE]
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	FN-AC-410a.1	(1) integration of environmental, social, and governance (ESG) issues (AUM): \$22.6 billion (2) sustainability themed investing (AUM): \$2.1 billion (3) screening (AUM): \$3.5 billion
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	<p>As a global asset management firm operating a next-generation business model that combines boutique investment qualities with the benefits of a fully integrated, centralized operating and distribution platform, Victory Capital strongly advocates independent decision-making and investment processes.</p> <p>We are committed to incorporating specific ESG factors in portfolios we manage to accommodate objectives sought by our clients. We partner with clients to develop products that meet our fiduciary duty while delivering investment strategies aligned to the client's potential desire for responsible investing with investment success.</p> <p>We appreciate the importance of ESG issues in the investment, risk management, and due diligence processes and, when appropriately directed by clients, we promote the following Principles for Responsible Investment (PRI):</p> <ul style="list-style-type: none"> • We will incorporate ESG issues into investment analysis and decision-making processes. • We will be active owners and incorporate ESG issues into our ownership policies and practices. • We will seek appropriate disclosure on ESG issues by the entities in which we invest. • We will promote acceptance and implementation of the Principles within the investment industry. • We will work together to enhance our effectiveness in implementing the Principles. • We will each report on our activities and progress toward implementing the Principles. <p>These Principles for Responsible Investment were developed by an international group of institutional investors, reflecting the increasing relevance of ESG issues to investment practices. The process was convened by the United Nations Secretary-General. We trace our signatory status back to 2016, when Sophus became a signatory. In 2020, we became a signatory on an enterprise-wide basis. Additional information about PRI can be found at www.unpri.org.</p> <p>Our goal is continuous improvement. Victory Capital encourages each of its Investment Franchises to perform the following iterative activities regarding responsible investing on a regular basis:</p> <ul style="list-style-type: none"> • Assess the effectiveness and efficiency of their current procedures. • Remain aware of current research, new developments, and best practices. • Identify changes needed to close gaps between current and target future states. • Evaluate implications for investment decision-making processes and ensure all training needs are met. • Implement desired changes, monitor progress, and assess attributable risk mitigation and/or alpha generation. <p>Victory Capital believes investing in sustainable companies (i.e., those able to properly manage their relevant ESG risks and opportunities) may improve risk-adjusted performance over the long term. Each of our Investment Franchises and Solutions Platform follow an approach to integrating ESG considerations or implementing responsible investing approaches that best suits its autonomous investment processes or the objectives of its clients.</p> <p>We provide our investment professionals with enhanced tools and resources to access the ESG attributes of portfolio companies and prospective portfolio companies. These resources include access to research and training on best practices to use at their discretion in a manner consistent with our fiduciary responsibilities and client-specific objectives.</p>
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	<p>We review our Proxy Voting Policy at least annually and have increasingly integrated ESG concerns into our policy based on consultation provided by Institutional Shareholder Services (ISS). For the 2021 proxy season, we revised our proxy voting guidelines to align more rigorously with material ESG factors.</p> <p>Each of our Investment Franchises engages with companies on ESG issues in a manner that is consistent with and complements their investment decision-making processes.</p>

Appendix: SASB Index

TOPIC	ACCOUNTING METRIC	CODE	DIRECT RESPONSE / REPORT LOCATION [OR JUST RESPONSE]
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	0
	Description of whistleblower policies and procedures	FN-AC-510a.2	Victory Capital encourages any officer, employee, contractor, subcontractor, or agent of Victory Capital (a "Reporting Person") who has a concern regarding what he or she views as a possible Reporting Matter to bring these concerns to the attention of Victory Capital's Chief Compliance Officer ("CCO"), who also shall serve as Victory Capital's corporate ombudsman. Concerns may relate to any Reporting Matter, including, but not limited to, fraud or deliberate error in the preparation, evaluation, review, or audit of any financial statement of any client account; fraud or deliberate error in the recording and maintaining of financial records of a client account; deficiencies in or noncompliance with any internal accounting controls affecting a client account; any misrepresentation or false statement regarding a matter contained in the financial records, financial reports, or audit reports of a client account; or any deviation from full and fair reporting of a client's financial condition.
Activity Metrics	(1) Total registered ⁱⁱ and (2) Total unregistered assets under management (AUM) ⁱⁱⁱ	FN-AC-000.A	(1) \$129.8 billion (2) \$53.8 billion
	Total assets under management	FN-AC-000.B	\$183.7 billion

ii. Total unregistered AUM equals total AUM minus total registered AUM.

iii. We have renamed this metric to "total assets under management" from "total assets under custody and supervision," because assets under management is a more relevant activity metric for asset managers and Victory Capital is an asset manager, not a custodian.



15935 La Cantera Parkway
San Antonio, TX 78256
www.vcm.com

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