



# VictoryShares US Large Cap High Div Volatility Wtd ETF

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## VICTORYSHARES US LARGE CAP HIGH DIV VOLATILITY WEIGHTED ETF ATTRIBUTION COMPARED TO THE RUSSELL 1000® VALUE INDEX

### Investment Strategy

The VictoryShares US Large Cap High Div Volatility Wtd ETF (CDL) offers broad exposure to dividend-yielding, large-cap U.S. stocks without subjecting investors to the inherent limitations of traditional market-cap or yield weighting.

The Fund seeks to provide investment results that track the performance of the Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index before fees and expenses.

CDL's rules-based approach combines fundamental criteria with volatility weighting in an effort to outperform traditional indexing strategies. The rules-based volatility weighting methodology weights stocks based on volatility, so each stock in the portfolio has an equal contribution to overall risk.

### VictoryShares Update

In the fourth quarter of 2020, VictoryShares continued to focus on rules-based solutions that seek to bridge the gap between active and passive management while delivering consistent outcomes for clients. At the end of the quarter VictoryShares had \$5.6 billion in assets under management, including \$186 million in CDL.

### Performance Update

CDL was up 18.17% in the quarter, outperforming the Russell 1000® Value Index (the "Index"), up 16.25%. The quarter was a favorable environment for CDL's income-focused volatility weighted methodology due to the outperformance of high dividend yield stocks compared to low dividend yield stocks.

### ANNUALIZED RATE OF RETURN (%)

VictoryShares US Large Cap High Div Volatility Wtd ETF (CDL)	QTR	YTD	1YR	3YR	5YR	Since Inception Jul 8, 2015	Expense Ratio (%)	
							Gross	Net
Net Asset Value (NAV)	18.17	-3.28	-3.28	4.93	10.03	9.03		
Closing Market Price	17.45	-3.91	-3.91	4.69	9.89	8.90	0.41	0.35
<b>Indexes</b>								
Nasdaq Victory U.S. Lg Cap High Div 100 Vol Wtd Index	18.35	-3.07	-3.07	5.29	10.42	—		
Russell 1000® Value Index	16.25	2.80	2.80	6.07	9.74	—		

Past performance does not guarantee future results. The performance data quoted represents past performance and current performance may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, visit [www.victoryshares.com](http://www.victoryshares.com). ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will

reduce returns. Market price returns are based on the price of the last reported trade on the Fund's primary exchange. If you trade your shares at another time, your return may differ. Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year is annualized. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which Fund performance would have been lower. Index performance is shown for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index.

### Top Contributors

The top stock contributors to CDL's relative performance versus the Index were an overweight to NetApp, +53%, and underweights to Intel Corp., -3%, and Johnson & Johnson, +6%.

An underweight to the Health Care sector, +8%, was a positive contributor during the quarter.

### Top Detractors

The largest stock detractors from CDL's relative performance versus the Index were an underweight to Walt Disney, +46%, and overweights to General Mills, -4%, and Kellogg Company, -3%.



**SECTOR WEIGHTING (%)**

Sector	CDL	Russell 1000® Value Index
Communication Services	6.5	9.6
Consumer Discretionary	5.8	7.7
Consumer Staples	10.6	7.6
Energy	4.9	4.4
Financials	25.8	19.6
Health Care	5.4	13.4
Industrials	6.5	13.4
Information Technology	9.9	9.7
Materials	7.4	4.8
Real Estate	–	4.4
Utilities	17.0	5.5
Cash	0.2	–

**FUND TOP 10 HOLDINGS**

	Market Cap (\$B)	Weighting (%)
Verizon Communications Inc.	243.1	1.70
AbbVie, Inc.	189.2	1.46
Coca-Cola Company	235.6	1.40
Pfizer Inc.	204.6	1.32
General Mills, Inc.	36.0	1.31
Packaging Corporation of America	13.1	1.31
Seagate Technology PLC	16.0	1.31
Merck & Co., Inc.	206.9	1.30
J.M. Smucker Company	13.2	1.28
Caterpillar Inc.	98.9	1.27

Carefully consider a fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other important information, visit [www.vcm.com/prospectus](http://www.vcm.com/prospectus). Read it carefully before investing.

All investing involves risk, including the potential loss of principal. The Fund has the same risks as the underlying securities traded on the exchange throughout the day. Redemptions are limited, and commissions are often charged on each trade. ETFs may trade at a premium or discount to their net asset value. The Fund invests in securities included in, or representative of securities included in, the Index, regardless of their investment merits. The performance of the Fund may diverge from that of the Index. Dividends are never guaranteed. The value of your investment is also subject to geopolitical risks such as wars, terrorism, environmental disasters, and public health crises; the risk of technology malfunctions or disruptions; and the responses to such events by governments and/or individual companies. Fund holdings and sector allocations are subject to change, may differ from the Index, and should not be considered investment advice.

**Market capitalization** is the total dollar value of all outstanding shares computed as number of shares times current market price.

**Market price** is the price of the last reported trade on the Fund's primary exchange.

**Net asset value** or **NAV** is the Fund's total assets minus its total liabilities, divided by the number of outstanding shares.

**Premium/discount %** indicates whether the ETF is currently trading at a higher or lower price than the current value of the securities in that portfolio.

The Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index consists of up to 100 of the highest dividend yielding stocks within the Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Index.

The **Russell 1000® Value Index** is a market-capitalization-weighted index that measures the performance of Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth rates.

Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2021.

The Nasdaq Victory Volatility Weighted Indexes are maintained by Nasdaq, Inc. (the "Index Provider"). The Index Provider is not affiliated with the Funds or the Funds' investment adviser, Victory Capital Management Inc.

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