

Market Commentary

Global mining stocks finished the fourth quarter of 2020 in negative territory. Risk sentiment was generally positive in the quarter, despite concerns around increasing Covid-19 case counts and bouts of volatility spurred by contentious negotiations on additional U.S. stimulus. Central banks remained accommodative, most notably the U.S. Federal Reserve which maintained its stance of anchoring short-term interest rates near zero indefinitely. In November, a clear outcome in the U.S. presidential election and positive news around a pair of Covid-19 vaccines further supported risk assets. December saw countries begin to vaccinate frontline workers and vulnerable populations against the coronavirus, raising hopes of a return to more normal economic activity in the coming months. As 2020 drew to a close, the U.S. Congress agreed upon a \$900 billion coronavirus relief bill which included direct payments to most individuals, extended unemployment benefits and forgivable loans for small businesses. As the economic outlook became more optimistic, longer-term U.S. Treasury yields drifted higher, while remaining very low by historical standards.

Gold finished the quarter at \$1894 an ounce, up marginally from its starting point of \$1886. The price of the metal dipped during the period on the positive news around vaccines, before recovering on a weak dollar. Gold mining stocks returned -7.46% for the quarter as gauged by the Fund's secondary benchmark, the MSCI ACWI Select Gold Miners IMI Index.

Fund Performance and Positioning

The Fund had a negative total return for the quarter and outperformed its secondary benchmark while lagging its primary benchmark.

The Fund selects holdings from among the universe of gold miner stocks. In doing so, the Fund uses quantitative analysis to identify companies that meet one of the following criteria: trade at attractive valuations, exhibit positive momentum, and/or are high quality as measured by strong and stable profitability.

Relative to the Fund's secondary benchmark, security selection added to performance for the quarter, most notably among Canadian miners which constitute more than half of the secondary benchmark's market capitalization. Out-of-benchmark exposure to China also contributed positively.

A variety of factors including the direction of interest rates and the relative strength of the dollar will likely influence the price of gold going forward. In addition, geopolitical developments have the potential to increase the appeal of gold as a safe haven. As always, the principal reason to include gold in a portfolio is for the incremental diversification it provides.

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. Read it carefully before investing.

Not all share classes are available to all investors.

All investing involves risk, including the potential loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments concentrated in an industry or group of industries may face more risks and exhibit higher volatility than investments that are more broadly diversified over industries or sectors. Precious metals and minerals industries can be significantly affected by global economic, financial, and political developments. Investments in companies related to precious metals and minerals may fluctuate in price substantially over short periods of time, so the Fund's share price may be more volatile than other types of investments. The Fund is non-diversified, which means that it may invest a large portion of its assets in a small number of issuers. Non-diversified funds may be more susceptible to economic or credit risks than diversified funds. 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.

The opinions are as of the date noted and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Discussion based on the Fund share class. Other classes have different performance characteristics.

Holdings, if any, are subject to change without notice and should not be considered purchase recommendations.

The MSCI ACWI Select Gold Miners IMI Index aims to focus on companies primarily engaged in the gold mining industry that are highly sensitive to underlying prices of gold. The index includes companies primarily engaged in gold mining or that derive a majority of their revenues from gold mining and additionally that do not hedge their exposure to underlying gold prices.

An index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with the active management of an actual portfolio.

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