

Market Commentary

Precious metals stocks—as represented by the Fund's benchmark, the MSCI ACWI Select Gold Miners IMI Index—returned 20.75% in the fourth quarter, trimming their loss for the full year to -15.07%.

Gold stocks benefited from both strong gains for gold prices and positive returns for global equities. Although the U.S. Federal Reserve (the Fed) continued to hike interest rates—with increases of three-quarters of a point in November and another half point in December—cooling inflation data raised hopes that the Fed had accomplished the majority of its tightening for this cycle. The prospect of less restrictive Fed policy led to a sharp decline in the U.S. dollar over the course of the quarter—a positive for gold. Increased central bank purchases further helped the metal, as did a slower rate of increase in bond yields. These factors contributed to a rally in gold prices from \$1659.67/oz. at the start of the quarter to \$1824.40/oz. at year-end—a gain of slightly over 9%. Silver and platinum also traded higher on the quarter.

Gold stocks exceeded the return of the metal by a wide margin, making up for some of their underperformance in the first nine months of the year.

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.

All investing involves risk, including the potential loss of principal. In addition to the normal risks associated with investing, 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.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Fund Performance and Positioning

The USAA Precious Metals and Minerals Fund uses quantitative analysis to identify gold mining companies that trade at attractive valuations, exhibit positive momentum, and/or are higher quality based on their profitability characteristics. The Fund outperformed its primary benchmark, the MSCI All Country World Index, due to the strength in precious metals stocks relative to the overall market. The Fund modestly outperformed its secondary benchmark, the MSCI ACWI Select Gold Miners IMI Index. Stock selection contributed to performance versus the latter index, while country allocations and currency exposures detracted.

The management team continues to believe precious metals stocks represent a way to augment portfolio diversification due to their potential ability to benefit from rising inflation and possible policy errors by the world's central banks.

Discussion based on the Fund share class. Other classes are available and may 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.

The MSCI All Country World Index (ACWI) is a free-float-adjusted, market-capitalization-weighted index designed to measure the performance of large- and mid-cap stocks across developed and emerging markets. 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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