

Investment Philosophy

The Victory Diversified Stock Fund invests in companies that we believe demonstrate strong earnings growth, a healthy return on invested capital, and positive earnings/price momentum combined with a reasonable valuation over a wide spectrum of market capitalizations. We are confident that this combination of characteristics positions the Fund for strong competitive performance. These are the characteristics that have historically contributed to Munder's successful long-term record, and we firmly believe they should continue to serve our investors well.

Market Overview

In the fourth quarter, the Victory Diversified Stock Fund A-Shares (*without sales charge*) underperformed its S&P 500[®] Index benchmark by 235 basis points* (bps). The lagging relative return was generated from stock selection and from sector allocation due to an overweight in the Energy sector, which was the worst performing sector in the benchmark. The Fund's average sector allocation was close to benchmark weights, with the exceptions being the Financials sector overweight and the Information Technology sector underweight. The Fund had no Utilities sector exposure during the quarter.

Within the S&P 500[®] Index benchmark, the S&P 500[®] Growth Index underperformed the S&P 500[®] Value Index. Growth also lagged Value in general in the small-cap range of the Index. The Fund's style factor exposure detracted from returns as profitability positively impacted performance but was more than offset by our positive exposure to earnings growth, which lagged during the quarter as optimism around rate cuts propelled longer-duration names.

The Fund's stock selection was positive in the Health Care and Consumer Discretionary sectors. Within the Health Care sector, Amphastar Pharmaceuticals was the standout performer due to strong volume and pricing in generic drugs resulting from supply shortages. Ensign Group performed well on continued increases in utilization at its skilled nursing homes. In the Consumer Discretionary sector, TopBuild performed well on better-than-expected volumes and pricing combined with prospects for lower mortgage rates.

Stock selection was weak in the Information Technology and Financials sectors. Within the Information Technology sector, lowered earnings expectations due to an inventory correction in supply chains impacted On Semiconductor and Cisco Systems. Within Financials, Kinsale Capital Group lagged the sector due to slower earned premium growth after years of stellar growth. Interactive Brokers lagged on concerns over net interest income decelerating combined with decelerating revenue from trading.

On an individual basis, the top positive active contributing stocks were Axos Financial and TopBuild. Axos Financial's stock performance was driven by solid loan growth and margins combined with a rebound in regional bank stocks' prices from industry bankruptcy filings early in 2023. TopBuild reported another strong quarter versus expectations on strong pricing power and expectations that lower mortgage rates will spur increased demand. The top negative active contributing stocks were ON Semiconductor and Kinsale Capital Group. As mentioned earlier, both securities reported disappointing earnings and forward guidance viewed with skepticism by investors. We continue to own both securities in the portfolio but have reduced our exposure in both names.

At quarter-end, the Fund continues to be overweight in the Financials sector and underweight in the Information Technology sector. Overall, the Fund's market capitalization is approximately 10% lower than the benchmark on a weighted market-cap basis. The Fund continues to have positive exposure to earnings yield, profitability, growth, and momentum.

*A basis point is 1/100 of a percent.

Top 5 Contributors (%)	Contribution to Absolute Return
Microsoft Corporation	1.26
Apple Inc.	0.84
Amazon.com, Inc.	0.56
Axos Financial, Inc.	0.52
TopBuild Corp.	0.44
Top 5 Detractors (%)	Contribution to Absolute Return
ON Semiconductor Corporation	-0.33
Kinsale Capital Group, Inc.	-0.31
Chevron Corporation	-0.30
Livent Corporation	-0.24
ChampionX Corporation	-0.13

Top Ten Holdings	% Fund
Microsoft Corporation	6.71
Apple Inc.	6.14
Alphabet Inc. Class C	4.61
Amazon.com, Inc.	2.85
Eli Lilly and Company	2.37
JPMorgan Chase & Co.	2.15
NVIDIA Corporation	1.90
Visa Inc. Class A	1.81
Cadence Design Systems, Inc.	1.55
Amphastar Pharmaceuticals, Inc.	1.48

Investment Performance (%)

Average Annual Returns as of December 31, 2023

Victory Diversified Stock Fund (Class A – SRVEX)	Q4 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (10/28/89)	Expense Ratio	
								Gross	Net
A Shares, without sales charge	9.34	24.70	24.70	11.27	15.13	9.49	10.21	1.07	1.07
A Shares, with sales charge (max. 5.75%)	3.08	17.53	17.53	9.10	13.77	8.84	10.02	1.07	1.07
S&P 500® Index	11.69	26.29	26.29	10.00	15.69	12.03	–	–	–

Source: Victory Capital data analyzed through Zephyr

Past performance does not guarantee future results. The performance 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.vcm.com. Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year is annualized. Other share classes are available. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which, fund performance would have been lower. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2024.

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, 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. Information technology companies are particularly vulnerable to rapid changes in technological product cycles, severe competition and government regulation. 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. Investments in mid-cap companies typically exhibit higher volatility. The Fund may frequently change its holdings, resulting in higher fees, lower returns, and more capital gains. 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. Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. Top holdings do not reflect cash, money market instruments or options/futures contracts holdings. The most currently available data regarding portfolio holdings can be found on our website, www.vcm.com.

Contributors and Detractors Source: FactSet. The top contributors and detractors are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. The percent displayed is contribution to return. Holdings are as of quarter end and may change at any time.

The S&P 500® Index is a market-capitalization-weighted index that measures the performance of the common stocks of 500 leading U.S. companies.

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