

Market Review

Global Equities (as measured by the MSCI All Country World Index) advanced sharply in the fourth quarter, gaining 11.0% for the period to finish up 22.2% for the year. Stocks rallied on expectations of declining interest rates in 2024, supported by softening inflation figures in multiple markets. Sectors poised to benefit from rate cuts, such as Technology, Real Estate and Industrials, performed well for the period, while Energy underperformed amid weaker oil and gas prices. Europe (ex U.K.) and North America were the top performing regions, largely driven by strength in rate-sensitive cyclicals, while Japan benefited less from rate expectations. Emerging Markets underperformed Developed economies at the group level, weighed down by weak growth prospects in China and despite solid gains in Poland and Peru, among others. Growth stocks outperformed value stocks for the period, and small-caps held a slight premium over larger-cap equities.

QVS Factor Performance

The RS Global team's proprietary QVS (Quality, Valuation and Sentiment) Model evaluates over 10,000 global companies in search of favorable investment opportunities. It is designed to identify companies that have the potential to consistently create shareholder value, are reasonably valued, and exhibit favorable market sentiment. The model helps us focus our resources, as we conduct additional research only on companies with the strongest model recommendations.

Stocks in the highest-ranked quintile of the model outperformed stocks ranked in the lowest quintile for the period, led by positive returns to Quality. Overall returns were also positive in most regions, and underlying Quality, Valuation and Sentiment factor spreads were also mostly positive. The model was stronger in Asia/Pacific ex Japan, Japan and the United Kingdom and weaker in Europe, where factor spreads were generally negative.

Performance and Positioning

The Victory RS Global Fund (the "Fund") returned +11.77% (Class A Shares at net asset value) for the period, outperforming its benchmark, the MSCI All Country World Index (net) (the "Index"), which returned +11.03%.

Positive stock selection in the Consumer Discretionary, Health Care and Consumer Staples sectors contributed to positive active performance for the period. Stock selection was negative in the Information Technology and Financials sectors. By region, stock selection was positive in Europe and the United Kingdom and closer to neutral in Emerging Markets and North America. Country-level contributors included France, Denmark and Canada, while detractors included the United States, Taiwan and Brazil.

Individual contributors to relative performance included homebuilder PulteGroup, Inc., and animal health diagnostics provider IDEXX Laboratories, Inc., both based in the United States. The Fund also benefited from not owning U.S.-based oil

and gas multinational ExxonMobil Corporation, which performed poorly within the Index.

Detractors from relative returns included oil and gas exploration company APA Corporation, insurance provider Unum Group, and food and beverage multinational PepsiCo, Inc., all based in the United States.

Outlook

Though the risk of global recession seems to have decreased, global growth prospects in the near term remain muted. The IMF has revised its projection of 2024 growth downward to 2.4%, well below the 3.8% average from 2000 to 2019. While softening inflation and the prospect of lower interest rates provided an optimistic tailwind for equities in the final quarter of 2023, gains were narrowly led in some markets and may not be broadly justified by the outlook for corporate earnings. Expectations aside, interest rates remain high in the meantime, which is likely to remain a detriment to earnings in many sectors. Additional risks to the macro outlook include the ongoing wars in Ukraine and Gaza, which could threaten economic stability across borders, as well as a potentially contentious election cycle.

That said, what is most important for us is to stay the course and be true to our quality-oriented investment process. We remain keenly aware of market volatility and will stay vigilant when constructing our portfolios, remaining sector- and region-neutral, as we believe that strong risk management should stand at the forefront. Making correct macro allocation calls can be immensely challenging; therefore, we do not forecast regional performance. In our view, stock selection can be far more impactful to strategy performance than allocation.

We thank you for your continued support.

Sincerely,

The Victory RS Global Markets Team

Top Ten Holdings	% Fund
Apple Inc.	5.08
Microsoft Corporation	5.08
NVIDIA Corporation	2.56
Alphabet Inc. Class C	2.29
Amazon.com, Inc.	2.22
Meta Platforms Inc. Class A	2.11
McDonald's Corporation	1.92
Mastercard Incorporated Class A	1.86
Eli Lilly and Company	1.73
JPMorgan Chase & Co.	1.71

Region Allocation	% Fund
North America	61.18
Europe	13.32
Japan	6.03
Emerging	5.34
Asia/Pac x Japan	4.67
United Kingdom	4.07
Other	2.73
Cash	1.71
[ETF]	0.96

Investment Performance (%)

Average Annual Returns as of December 31, 2023

Victory RS Global Fund (Class A – RSGGX)	Q4 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (5/16/11)	Expense Ratio	
								Gross	Net
A Shares, without sales charge	11.77	26.62	26.62	7.88	13.88	10.07	10.40	1.17	0.85
A Shares, with sales charge (max. 5.75%)	5.37	19.35	19.35	5.78	12.54	9.42	9.88	1.17	0.85
MSCI All Country World Index (Net)	11.03	22.20	22.20	5.75	11.72	7.93	–	–	–

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 April 30, 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. 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. The Fund is also subject to liquidity risk, which is the risk that the Adviser may not be able to sell a security at an advantageous time or price, which may adversely affect the Fund. Investments in smaller companies typically exhibit higher volatility. 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. 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. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.

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.

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