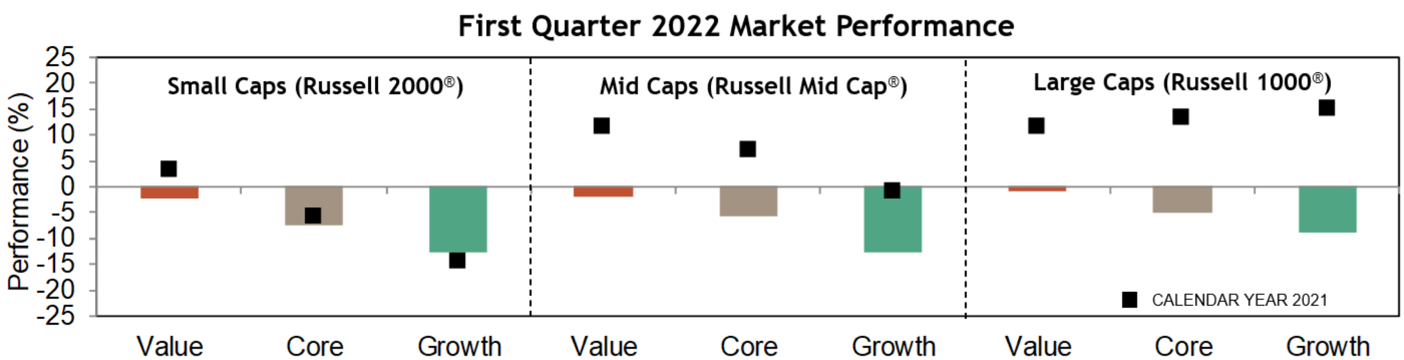
VICTORY RS MID CAP GROWTH FUND QUARTERLY COMMENTARY

As of March 31, 2022

Quarterly Highlights

- The Victory RS Mid Cap Growth Fund (Class A Shares, without sales charge) returned -14.18% for the three months ended March 31, 2022, underperforming the Russell Midcap® Growth Index,[1] which returned -12.58%.
- Fund performance relative to the benchmark was negatively impacted by stock selection in the Consumer Discretionary, Technology, and Energy sectors; underperformance was partially offset by strong performance within the Health Care sector.
- This period's relative performance in part reflects the continued underperformance of secular growth stocks as mid growth, as defined by the Russell Midcap® Growth Index, returned -12.58% while mid-cap value stocks, as defined by the Russell Midcap® Value Index,[2] returned -1.82%.
- We continue to believe technology-oriented companies are better positioned for the longer term, especially following the massive "test run" of technology-aided solutions people have leveraged to work, shop, and communicate from home, which we believe has permanently sped up the adoption of these new technologies at the expense of legacy products and services.
- Despite the recent underperformance, mid-cap growth stocks have outperformed their mid-cap value counterparts over 3, 5, 10, and 15 years as of March 31, 2022, per Russell.

Market Performance / Fundamentals Snapshot



Value = Russell 2000® Value Index
Core = Russell 2000® Index
Growth = Russell 2000® Growth Index

Value = Russell Midcap® Value Index
Core = Russell Midcap® Index
Growth = Russell Midcap® Growth Index

Value = Russell 1000® Value Index
Core = Russell 1000® Index
Growth = Russell 1000® Growth Index

Index returns are for illustrative purposes only and do not represent actual Fund performance. Index performance does not reflect management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Market Commentary

Is inflation permanent or temporary? Is the recent spike in interest rates going to cause economic pain, or are real rates (which after consideration of inflation are approaching record lows) going to prolong the economic cycle? Does the near-record low unemployment reflect the strength of the economy, or is it an ominous challenge for corporations? Is Russia's invasion of Ukraine the beginning stage of a global war, or does it reflect developed nations truly coming together for the first time to protect freedom? These are intriguing questions and interesting times for investors.

The current global landscape is as polarizing as we have experienced in years, and global markets have reflected that uncertainty. Although we continue to see a normalization of economic activity following the rollout of COVID-19 vaccinations, inflation concerns and the unclear long-term impact of the Russian invasion of Ukraine are now front and center, weighing on all areas of the global equity and bond markets. The conflict has also helped push consumer sentiment to a decade low. In fact, investors' lingering concerns over elevated inflation—evidenced by some of

the highest year-over-year Consumer Price Index readings in decades—pushed the Bloomberg U.S. Aggregate Bond Index[3] to its worst performing quarter since the first quarter of 1980, while growth indices also materially underperformed other areas of the equity market during the quarter.

There are many questions about what happens from here. Global logistics that were already challenged have been further pressured by the disruption caused by Russia's invasion of Ukraine that will likely impact global energy and food supply chains for years, and the future path of inflation is anyone's guess. Yet despite the uncertainty, there are a number of reasons to be optimistic with regard to the economy and investment opportunity in the U.S. The quick decline of the worrisome Omicron variant in the United States has allowed consumption to bounce back sharply, while corporate operations (and earnings) appear poised to do the same. So while periods of elevated volatility may continue, we see pockets of opportunity in areas with underlying economic strength that are being overlooked by investors.

The underlying theme for U.S. equity markets to start the year has been that value-oriented stocks with pricing power, such as those within the energy, utilities, or consumer staples sectors, have been the place to allocate and have materially outperformed growth-oriented secular stocks (defined as stocks that are taking market share from legacy companies, and thus are less sensitive to short-term economic output). In fact, the most recent quarter marks the fourth consecutive quarter small growth has been the worst performing style within U.S. equity markets. We have rarely experienced a similar period of sustained large-cap versus small-cap or small-value vs. small-growth outperformance, which appears to have been driven by sentiment and multiple expansion and contraction to a large extent rather than by fundamentals. In our opinion, this makes small growth very attractive relative to other segments of the market. It's also good to remember that over the longer term, growth-oriented stocks have continued to shine across market caps, with the Russell 3000® Growth Index[4] outperforming the Russell 3000® Value Index[5] over 3, 5, 10, and 15 years.

Although we expect this cyclical versus secular and large-cap versus small-cap tug-of-war to continue, we believe the longer-term outperformance of growth versus value, which has been supported by stronger underlying fundamentals, will come back. Technology-oriented growth companies have excelled and were largely insulated from the economic slowdown that took place in 2020 relative to more traditional value companies within the industrial, financial, and materials sectors. Although it appeared that growth stocks were perhaps a bit ahead of themselves from a relative valuation standpoint at the depths of the economic slowdown, this is no longer the case.

We believe the current underperformance of companies that are materially better off over the secular horizon, given their potential to take market share, will allow small growth stocks to catch up to their small value and large growth brethren. It appears that we are in the early stages of a secular shift that is altering how consumers, businesses, and employees will interact following the massive "test run" of technology-aided solutions. This may have forever changed how people work, shop, and communicate from home—things people now take for granted even as we (hopefully) exit the strange economic environment caused by the pandemic.

Investment Strategy

The Victory RS Mid Cap Growth Fund (the "Fund") is guided by our philosophy that sustainable earnings growth drives long-term share price appreciation. Our investment process is focused on finding innovative companies whose core business can grow from a mid-capitalization company to a large-cap company over time.

The team seeks companies with products and services that are growing organically, creating new markets or taking market share from existing companies. We are focused on finding companies whose business values can appreciate regardless of the underlying market environment. The Fund is led by the team's chief investment officer, Scott Tracy, along with portfolio managers Steve Bishop, Melissa Chadwick-Dunn, Chris Clark, and Paul Leung. The five co-portfolio managers, as well as two research analysts, serve as sector specialists and are supported by three associates, drawing on strong relationships with industry experts and company management teams.

Together, we conduct over 2,000 company meetings each year through in-person meetings, conference calls, and trade shows. We then back up our findings through discussions with industry leaders and third-party sources. We are long-term investors and seek to establish definable "anchor points," which are quantifiable metrics that help determine a company's potential long-term growth trajectory. Anchor points arise from our analysis of a company's long-term capabilities and performance goals over three to five years. These long-term anchor points serve as guideposts to help us measure a company's progress as it executes its business strategy, regardless of what is taking place in the overall market, and help prevent distractions caused by short-term stock price movements and inevitable market volatility.

Performance Review

The Victory RS Mid Cap Growth Fund (Class A Shares, without sales charge) returned -14.18% for the three months ended March 31, 2022, underperforming the Russell Midcap® Growth Index, which returned -12.58%. Fund performance relative to the benchmark was negatively impacted by stock selection in the Consumer Discretionary, Technology, and Energy sectors; underperformance was partially offset by strong performance within the Health Care sector. This period's relative performance in part reflects the continued underperformance of secular growth stocks as mid growth, as defined by the Russell Midcap® Growth Index, returned -12.58% while mid-cap value stocks, as defined by the Russell Midcap® Value Index, returned -1.82%. We continue to believe technology-oriented companies are better positioned for the longer term, especially following the massive "test run" of technology-aided solutions people have leveraged to work, shop, and communicate from home, which we believe has permanently sped up the adoption of these new technologies at the expense of legacy products and services. Despite the recent underperformance, mid-cap growth stocks have outperformed their mid-cap value counterparts over 3, 5, 10, and 15 years as of March 31, 2022, per Russell.

Top Detracting Sector: Consumer Discretionary

Within the Consumer Discretionary sector, the largest driver of relative underperformance was Leisure holding YETI Holdings, Inc. (1.37% ending weight), a company that designs, markets, and distributes products for the outdoor and recreation market. We initially purchased the stock given their ability to expand product categories in their five "tentpole" categories: coolers, drinkware, cargo / storage, bags, and outdoor. The company has benefited immensely from their distribution shift from wholesale to direct-to-consumer given the strength of their brand, which has resulted in more control as well as wider margins. The company reported solid fourth quarter results, with sales and earnings ahead of consensus, but struggled despite this underlying strength given concerns that consumer spending on goods will slow due to the roll-off of stimulus and a shift to services from goods. Despite these concerns we believe YETI is well positioned, highlighted by their ability to put through a price increase on their goods, which will drive both revenues and margins.

Top Contributing Sector: Health Care

Within the Health Care sector, the largest driver of relative outperformance was biotechnology holding Jazz Pharmaceuticals PLC (1.45% ending weight), a global biopharmaceutical company dedicated to developing and commercializing life-changing medicines. We initially purchased the stock given the strength of Xywav, an alternative to their $1.6 billion drug Xyrem that faces genericization in the beginning of 2023. As a result, we believe The Street's concerns on Xyrem revenue reliance were unfounded, as the switch to Xywav is well underway and will drive franchise revenue longevity given the lower-sodium benefit to patients of the new formulation. In addition, we believe recent acquisitions will accelerate revenue diversification and growth prospects. The stock performed well in the quarter, driven by long-term guidance on strong conversion of Xyrem to Xywav, along with short-term guidance that exceeded expectations, easing concerns that there would be earnings contractions before growth resumed.

Market and Strategy Outlook

Given the global impact of the virus and the Russian invasion of Ukraine on corporate fundamentals, fiscal/monetary response, global logistics, inflation, consumer behavior, and societal norms, we believe investors should expect all companies to feel some level of direct and indirect effects over the next few quarters and years. As a result, global equity markets are likely to experience higher levels of volatility (both to the upside and downside) and divergence as new companies emerge, and others struggle to retain their previous leadership. We feel this will create an abundance of opportunities across sectors, industries, and markets in coming quarters and years as the economy and markets transition and recover.

We do not have a clear view or projection as to how large or prolonged any impact from the coronavirus or Ukraine invasion will be given the uncertainty regarding the continued unfoldment of events abroad and the resulting economic impact, politicization, and the potential scale of incremental or contractionary fiscal and monetary stimulus, but we do believe there are clear pockets of the economy that remain better positioned than others to adjust to any future state given the ability of their workers to remain productive and end-customer demand to remain steady irrespective of the forward economic environment.

Within the growth universe, the current opportunity set appears especially pronounced for secular growth companies, rather than those more cyclical in nature, given the continued strength in underlying fundamentals and relative underperformance by companies since early November of 2020, when market leadership abruptly shifted from companies with better long-term sustainable growth opportunities to areas that had been more challenged by COVID-19 or that could benefit from inflationary pressures experienced over the past year. As a result, we believe we can now allocate to companies with clear paths of outsized growth with much improved relative valuations as compared to fall of 2020.

Thank you for your continued investment.

D. Scott Tracy, CFA
CIO, Co-Portfolio Manager

Steve Bishop
Co-Portfolio Manager

Melissa Chadwick-Dunn
Co-Portfolio Manager

Chris Clark, CFA
Co-Portfolio Manager

Paul Leung, CFA
Co-Portfolio Manager

Sector Allocation[6]
As of March 31, 2022

Sector	% of Portfolio
Technology	38.1%
Health Care	17.9%
Consumer Discretionary	15.6%
Producer Durables	9.6%
Financial Services	8.8%
Materials & Processing	4.3%
Energy	2.0%
Consumer Staples	1.6%
Utilities	0.0%
[Cash / Other]	2.2%

Top 10 Holdings[7]
As of March 31, 2022

Holding	% of Portfolio
Palo Alto Networks, Inc.	3.93%
Synopsys, Inc.	3.78%
ZoomInfo Technologies Inc.	2.66%
West Pharmaceutical Services, Inc.	2.47%
Avantor, Inc.	2.34%
Zscaler, Inc.	2.34%
Monolithic Power Systems, Inc.	2.16%
Marvell Technology, Inc.	2.07%
Teledyne Technologies Incorporated	2.03%
MSCI Inc. Class A	2.02%

Performance
Annualized Returns as of March 31, 2022

Victory RS Mid Cap Growth Fund (Class A – RSMOX)	First Quarter 2022	1-Year	3-Year	5-Year	10-Year	Since Inception (7/12/95)
Without sales charge	-14.18%	-9.16%	8.47%	10.19%	10.60%	9.49%
With maximum sales charge (5.75%)	-19.11%	-14.39%	6.34%	8.89%	9.95%	9.25%
Russell Midcap® Growth Index[1]	-12.58%	-0.89%	14.81%	15.10%	13.52%	10.13%

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns 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 returns for periods of less than one year are not annualized. High, double-digit returns are highly unusual and cannot be sustained. Investors should be aware that these returns were primarily achieved during favorable market conditions. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which Fund performance would have been lower.

The Fund's total gross/net annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.35%/1.20%. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through April 30, 2022.

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 potential loss of principal. Investments in small and mid-size 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. Technology companies may be adversely affected by economic downturns, short product cycles, aggressive pricing, market 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. 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.

1 The Russell Midcap® Growth Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell Midcap® Index with higher price-to-book ratios and higher forecasted growth values.

2 The Russell Midcap® Value Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell Midcap® Index with lower price-to-book ratios and lower forecasted growth values.

3 The Bloomberg U.S. Aggregate Bond Index is generally considered to be representative of U.S. investment grade bond market activity.

4 The Russell 3000® Growth Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 3000® Index (which consists of the 3,000 largest U.S. companies based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

5 The Russell 3000® Value Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 3000® Index (which consists of the 3,000 largest U.S. companies based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

6 The Fund's holdings are allocated to each sector based on the Russell Global Sectors Standard (RGS). If a holding is not classified by Russell, it is assigned a Russell designation by RS Investments. Cash includes short-term investments and net other assets and liabilities.

7 Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.

Index returns reflect the reinvestment of dividends and capital gains but do not include advisory fees, transaction costs, or other expenses. One cannot invest directly in an index.

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