VICTORY RS SCIENCE AND TECHNOLOGY FUND QUARTERLY COMMENTARY

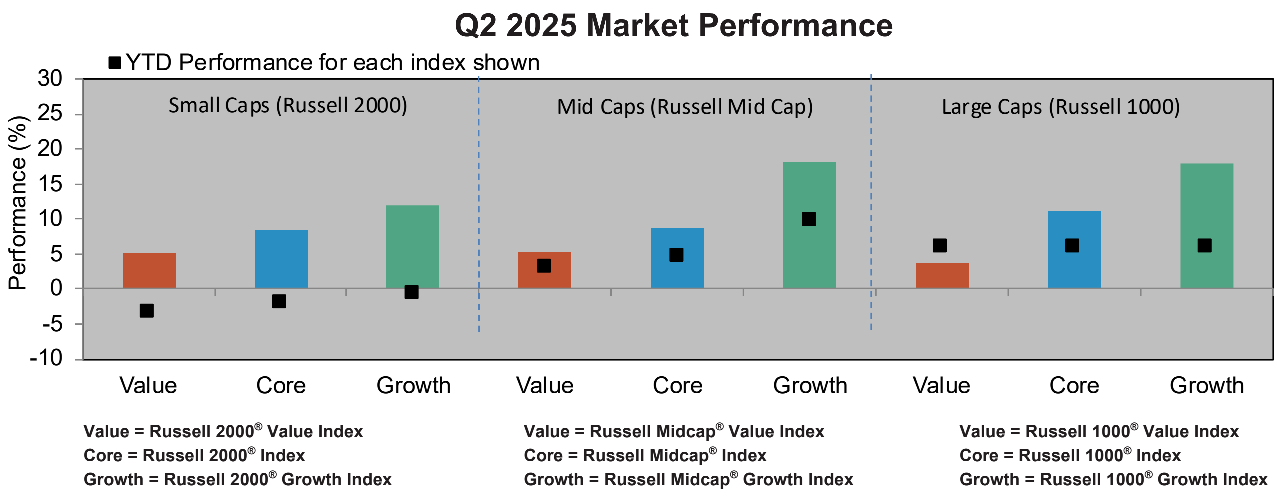
RS Investments®
A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of June 30, 2025

Quarterly Highlights

- The Victory RS Science and Technology Fund (Class A Shares, without sales charge) returned 23.56% for the three months ended June 30, 2025, outperforming the S&P North American Technology Sector Index™,[1] which returned 23.38%.
- The Fund's performance in the quarter was slightly ahead despite a headwind attributed to the Fund's allocation to Health Care sector stocks.
- We believe the underperformance of innovative smaller-cap Technology and Health Care stocks over the past two years has created an outsized opportunity for the segment relative to larger-cap Technology stocks; current valuations (defined as the forward price-to-earnings, excluding non-earners) of the Russell 2000® Growth Index[2] are near the cheapest since the 1979 inception of the index relative to the Russell 1000® Growth Index[3] (per FactSet).
- We hold what we believe are innovative companies that are forecast to grow at a much higher rate than the index across market caps, resulting in a much more diversified set of companies than the underlying index; we believe the massive "test run" of technology-aided solutions as people attempt to work, shop, and communicate from home will speed up the adoption of a number of new technologies at the expense of legacy products and services.
- Technology stocks, as represented by the S&P North American Technology Sector Index™, have outperformed the broader U.S. equity market over 5, 10, and 15 years as of June 30, 2025.

Market Performance / Fundamentals Snapshot



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

The second quarter of 2025 was marked by extreme volatility, sentiment swings and uncertainty. The market spiraled lower during the first part of April, a continuation and acceleration of the tariff-induced sell-off that characterized the prior quarter. But virtually overnight, sentiment flipped and markets began a V-shaped recovery. The S&P 500® Index,[4] the proxy for the overall domestic stock market, ultimately logged new all-time highs and delivered an impressive return of 10.9% for the second quarter. The tech-heavy Nasdaq fared even better, rising by 18.0% during the quarter.

The catalyst for this abrupt turnaround was, not surprisingly, also tariff related. The Liberation Day tariff announcement shock in early April that caused market turmoil was quickly replaced with optimism that more trade-friendly tariff agreements would soon be negotiated. The markets, and especially beaten-down growth stocks, moved off the worst-case scenario and staged a remarkable rebound.

During the second quarter, many of the growth market leaders—with a few notable exceptions—grabbed the limelight again. Information Technology and Communication Services stocks, which were laggards earlier in the year due in part to high valuations and worries about supply chains, once again led the market upward. Industrials, traditionally not a growth-centric sector, also raced higher due in part to optimism about infrastructure spending, onshoring and reshoring. Meanwhile, some of the more traditional value-oriented sectors—such as Energy, Health Care and Basic Materials—lagged the broader market.

In terms of investment styles, growth stocks outperformed their value counterparts by a wide margin during the second quarter.

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Tariff uncertainties and recession concerns abated, as investors looked through the noise and uncertainty. The Russell 3000® Growth Index[5] increased an impressive 17.6% during the second quarter versus a more modest 3.8% rise for the Russell 3000® Value Index.[6] Mid-cap and large-cap growth stocks were the clear leaders. The Russell Midcap® Growth Index[7] and the Russell 1000® Growth Index increased by 18.2% and 17.8%, respectively, during the quarter. Perhaps investors wanted to take advantage of pullbacks in market leaders that occurred earlier this year. Small-cap growth stocks, represented by the Russell 2000® Growth Index, also enjoyed a strong second quarter with a 12.0% rebound.

Although we are pleased with the abrupt change in sentiment and strong second quarter market rebound, we implore investors to maintain an even keel and take a longer-term perspective. Recession fears may have abated for the moment, but we still do not have clarity on the new administration's trade policies and the impact that any tariffs ultimately may have on earnings. More episodes of volatility are likely as we continue living in uncertain times.

For example, questions remain regarding monetary policy. Recent statements by the Federal Reserve suggest more willingness to lower rates later this year, but the Board of Governors remain data-dependent, as the lasting effects of tariffs on inflation and employment remain uncertain. And, unfortunately, the geopolitical hotspots around the globe remain in place, and U.S.–China relations are tenuous at best.

But as we've discussed in the past, market tumult and volatility also breed opportunity. We continue to believe that the current environment is an attractive backdrop for active managers in the growth space, particularly those with a long time horizon and a commitment to a vetted investment philosophy. So while there is no definitive clarity on several possible market-moving variables, there are still many innovative, growth-oriented companies across various sectors of the economy, in our opinion. Our team continues to focus on identifying potential opportunities within secular growth, and we believe that we are still in the early stages of a secular shift that is transforming how consumers, businesses, and employees interact. That trend, along with new emerging technologies (including artificial intelligence), is poised to have a significant impact in the years ahead, particularly among growth-oriented investment styles.

Investment Strategy

We remain committed to an intensive approach to fundamental research that focuses on understanding the long-term secular movements within science and technology in tandem with the underlying financial and company-specific fundamentals of the companies we own. The Victory RS Science and Technology Fund (the "Fund") is focused on finding innovative science- and technology-driven investments from across the market-cap spectrum, seeking out companies with strong management teams, high revenue growth, and proprietary technology. Portfolio Manager Steve Bishop was joined in 2016 by an additional portfolio manager who has been a part of the RS Growth team for many years, Paul Leung. Together, they follow an investment process that centers on finding innovation, competitive advantages, and sustainable earnings growth. Supported by a team of research analysts, the portfolio managers leverage detailed fundamental research and industry contacts to identify the earnings potential of each company, focusing on "anchor points," quantifiable metrics that help determine a company's potential long-term growth trajectory. Anchor points arise from an 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 the team measure a company's progress as it executes its business strategy, regardless of what is taking place in the overall market. These anchor points also help prevent distraction caused by short-term stock price movements and inevitable market volatility.

Performance Review

The Victory RS Science and Technology Fund (Class A Shares, without sales charge) returned 23.56% for the three months ended June 30, 2025, outperforming the S&P North American Technology Sector Index™, which returned 23.38%.The Fund's performance in the quarter was slightly ahead despite a headwind attributed to the Fund's allocation to Health Care sector stocks. We believe the underperformance of innovative smaller-cap Technology and Health Care stocks over the past two years has created an outsized opportunity for the segment relative to larger-cap Technology stocks; current valuations (defined as the forward price-to-earnings, excluding non-earners) of the Russell 2000® Growth Index are near the cheapest since the 1979 inception of the index relative to the Russell 1000® Growth Index (per FactSet). We hold what we believe are innovative companies that are forecast to grow at a much higher rate than the index across market caps, resulting in a much more diversified set of companies than the underlying index; we believe the massive "test run" of technology-aided solutions as people attempt to work, shop, and communicate from home will speed up the adoption of a number of new technologies at the expense of legacy products and services. Technology stocks, as represented by the S&P North American Technology Sector Index™, have outperformed the broader U.S. equity market over 5, 10, and 15 years as of June 30, 2025.

Top Outperforming Sector: Technology

Within Technology, Credo Technology Group Holding Ltd. (CRDO) (1.93% ending weight) was a top performer in the period following strong quarterly results and raised guidance led by accelerating demand for their high-speed connectivity solutions. They also benefited from a rotation back into AI-related semis/hardware stocks after DeepSeek concerns abated. CRDO is a leading supplier of active electrical cables (AECs) used for scale-out networking for GenAI clusters and is in the process of ramping with several hyperscalers to support their data center expansion plans. We continue to hold the position and expect demand for their products to remain strong, driven by AI capex spend and the deployment of next-gen GPU architectures which require higher networking speeds.

Top Detracting Sector: Health Care

Within Health Care, Eli Lilly (LLY) (1.78% ending weight) was a top detractor, with shares down 6% in 2Q25 despite solid fundamentals. The pullback came amid broader rotation out of high-multiple large-cap growth and investor concerns around the GLP-1 class, particularly around competitive dynamics and formulary changes. While LLY posted a top- and bottom-line 1Q beat and reiterated 2025 revenue guidance, a Novo/CVS Wegovy formulary announcement overshadowed the quarter and raised questions about GLP-1 pricing in obesity. We do not see the CVS announcement as portending an acceleration in price declines across the space and expect CVS will likely impact only a small portion of LLY's business. We expect LLY to continue to see share gains vs. Wegovy in the broader obesity space as well as growth for the obesity market to remain healthy as a whole. Additionally, LLY is developing an oral GLP-1 (Orfoglipron), a next-gen injectable (Retatrutide, in phase 3), and an amylin (in phase 2) that we believe will strongly position the company within the future obesity market. We remain constructive on LLY's leadership in incretins and view the company as a long-duration, high-quality innovation engine. We continue to hold the position at a lower weight.

Market and Strategy Outlook

We are confident that the market has stabilized in the second quarter and are hopeful that earnings will begin to drive stocks versus external factors such as tariffs, monetary policy and regulatory regime changes. U.S. employment remains strong, and the outlook for solid earnings growth in 2025 remains in place. While the full impact on the economy and employment from the recently announced tariffs is yet unclear, a more normal, steady economic state should be a very favorable backdrop for growth stocks. In addition, the potential for more robust domestic spending in the areas of onshoring and reshoring could make the U.S. a relative safe haven. Certain segments of the growth economy appear well positioned to continue to meaningfully outgrow overall GDP, while company valuations are increasingly compelling for long-term investors.

In the current environment, there continues to be a unique opportunity for secular growth companies outside of the mega-cap growth category. Despite their relative underperformance since November 2020, smaller-cap secular growth companies have displayed continued strength in their underlying fundamentals. We expect this fundamental strength to persist and are optimistic that the valuation gap of smaller companies will narrow substantially with that of their larger-cap peers.

Overall, while we believe the tariff picture is slowly getting somewhat clearer, the engineering of a soft landing for the economy remains unclear. Investors are increasingly looking through toward 2026 and beyond, extending market gains. As we navigate the market at or near old highs, we think there will be bouts of volatility and we are ready to take advantage of dislocations in company valuations. As such, we are patient and believe that opportunities will emerge in sectors and industries that demonstrate secular resilience through the cycle and sustained growth. We feel that secular growth companies within the growth universe are especially attractive relative to cyclicals due to their strong and consistent fundamentals and potential for outperformance.

Thank you for your continued investment.

Paul Leung, CFA	Steve Bishop
Deputy CIO, Co-Portfolio Manager	Co-Portfolio Manager

Sector Allocation[8]

As of June 30, 2025

Sector	% of Portfolio
Technology	62.99%
Health Care – Biopharma	13.34%
Consumer Discretionary	11.32%
Financial Services	5.59%
Health Care – Other	4.48%
Producer Durables	1.60%
Cash / Other Assets and Liabilities	0.48%

Top 10 Holdings[9]

As of June 30, 2025

Holding	% of Portfolio
NVIDIA Corporation	9.25%
Meta Platforms Inc. Class A	8.75%
Microsoft Corporation	8.47%
AppLovin Corp. Class A	4.55%
Netflix, Inc.	4.29%
Amazon.com, Inc.	3.82%
Varonis Systems, Inc.	2.77%
ServiceNow, Inc.	2.76%
MACOM Technology Solutions Holdings, Inc.	2.60%
Fair Isaac Corporation	2.50%

Performance

Average Annual Returns as of June 30, 2025

Victory RS Science and Technology Fund (Class A – RSIFX)	Second Quarter 2025	1-Year	3-Year	5-Year	10-Year	Since Inception (11/15/95)
without sales charge	23.56%	22.33%	21.61%	5.76%	13.99%	10.82%
with maximum sales charge (5.75%)	16.43%	15.29%	19.23%	4.52%	13.32%	10.60%
S&P North American Technology Sector Index[1]	23.38%	17.90%	31.60%	19.75%	21.50%	12.96%
S&P 500® Index[4]	10.94%	15.16%	19.71%	16.64%	13.65%	10.96%

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. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which Fund performance would have been lower.

Performance information for the Fund's Class A shares prior to July 30, 2016, reflects the historical performance of the Class A shares of the RS Technology Fund, a series of RS Investment Trust (the predecessor to the Fund managed by RS Investment Management Co. LLC) (the "predecessor fund"). The Fund's performance has not been restated to reflect any differences in expenses paid by the predecessor fund and those paid by the Fund. Other share classes are available for which performance and expenses will differ. Not all share classes are available to all investors.

The Fund's total gross/net annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.48%/1.48%. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through April 30, 2026.

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. 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. Investments in science and technology companies, including health care companies, may be highly volatile. Their values may be adversely affected by rapid technological change, management changes, and competition. Many science and technology companies are newly organized small- or mid-cap companies, which may have limited operating histories, liquidity and/or cash flow constraints and the risk of failure. The profitability of companies in the healthcare sector may be affected by government regulations and healthcare programs, fluctuations in the cost of, and demand for, medical products and services and product liability claims. Investments in small- and mid-cap companies typically exhibit higher volatility. 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 value of your investment is also subject to geopolitical risks such as wars, terrorism, trade disputes, 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 S&P North American Technology Sector Index™ (formerly the S&P GSTI™ Composite Index) is a modified capitalization-weighted index based on a universe of technology-related stocks. "Since inception" return for the S&P North American Technology Sector Index™ reflects, for periods after August 29, 1996, the reinvestment of dividends paid on the securities constituting the index; for periods through August 29, 1996, index return does not reflect the reinvestment of dividends.

2 The Russell 2000® Growth Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 2000® Index (which consists of the 2,000 smallest-cap companies in the Russell 3000® Index) with higher price-to-book ratios and higher forecasted growth values.

3 The Russell 1000® Growth Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 1000® Index (which consists of the 1,000 largest U.S. companies based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

4 The S&P 500® Index is a market-capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

5 The Russell 3000® Growth Index is an unmanaged 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.

6 The Russell 3000® Value Index is an unmanaged 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.

7 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.

8 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.

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

Except as noted, 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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