

Market Review

Global Equities (as measured by the MSCI All Country World Index) registered solid gains in the first quarter of 2024, gaining 8.20% for the period and adding to strong gains in 2023. The continued advance was fueled by encouraging economic data and the prospect of lower interest rates, as well as ongoing enthusiasm around artificial intelligence. Information Technology, Communication Services, Energy and Financials were the top performing global sectors, while laggards included Real Estate, Utilities and Materials. Japan was the top performing region, as corporate reforms, the normalization of interest rates and depreciation of the yen attracted investors. North America also advanced strongly, fueled by strong earnings and price appreciation among several of the “Magnificent Seven” in the U.S. Emerging Markets underperformed Developed economies at the group level, weighed down by weak growth prospects in China and election uncertainty in South Africa, and despite strong market performance in Turkey and Taiwan, among others. Growth stocks generally outperformed value stocks for the period, and large-cap stocks outperformed smaller-cap stocks.

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, with all three factors contributing. Overall returns were also positive across regions, and underlying Quality, Valuation and Sentiment factor spreads were also mostly positive. The model was stronger in Asia/Pacific ex Japan, North America, Japan and Europe and weaker (but still positive) in Emerging Markets and the United Kingdom.

Performance and Positioning

The Victory RS Global Fund (the “Fund”) returned +8.55% (Class A Shares at net asset value) for the period, outperforming its benchmark, the MSCI All Country World Index (net) (the “Index”), which returned +8.20%.

Positive stock selection in the Industrials, Utilities and Communication Services sectors contributed to positive active performance for the period. Stock selection was negative in the Energy and Materials sectors. By region, stock selection was positive in North America and Japan and negative in Emerging Markets and the United Kingdom. Country-level contributors included the United States, Spain and Denmark, while detractors included Taiwan, Canada and Belgium.

Individual contributors to relative performance included graphics processing chip manufacturer NVIDIA Corporation, electrical utilities provider Constellation Energy Corporation, and pharmaceutical producer Eli Lilly and Company, all based in the United States.

Detractors from relative returns included U.K.-based metals and mining multinational Rio Tinto Plc, U.S. quick service restaurant chain McDonald’s Corporation, and Belgian semiconductor device manufacturer Melexis NV.

Outlook

While the prospect of lower interest rates provided a tailwind for equities in the first quarter, many are now questioning whether the market has become overvalued, particularly the narrowly-led U.S. Indeed, the U.S. currently trades at a significant price-to-earnings premium relative to other developed markets, which argues for embracing thoughtful diversification. Inflation persists in several regions and with varying levels of economic resilience, which may mean that rate cuts are farther away than investors hoped. Interest rates remain high in the meantime, which is likely to dampen 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 elections 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
Microsoft Corporation	5.10
Apple Inc.	4.02
NVIDIA Corporation	3.86
Alphabet Inc. Class C	2.82
Amazon.com, Inc.	2.41
Meta Platforms Inc. Class A	2.36
Eli Lilly and Company	2.00
Mastercard Incorporated Class A	1.86
JPMorgan Chase & Co.	1.71
McDonald's Corporation	1.62

Region Allocation	% Fund
North America	61.59
Europe	12.37
Japan	6.04
Asia/Pac x Japan	5.41
Emerging	5.22
United Kingdom	3.51
Other	3.01
Cash	2.34
[ETF]	0.50

Investment Performance (%)

Average Annual Returns as of March 31, 2024

Victory RS Global Fund (Class A – RSGGX)	Q1 2024	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (5/16/11)	Expense Ratio	
								Gross	Net
A Shares, without sales charge	8.55	8.55	26.64	9.33	13.12	10.88	10.89	1.17	0.85
A Shares, with sales charge (max. 5.75%)	2.29	2.29	19.34	7.19	11.79	10.22	10.38	1.17	0.85
MSCI All Country World Index (Net)	8.20	8.20	23.22	6.96	10.92	8.66	–	–	–

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.

Distributed by Victory Capital Services, Inc., an affiliate of Victory Capital Management Inc., the Fund's investment adviser.

©2024 Victory Capital Management Inc.

V17.091 // 1Q 2024 RS Global Fund COM