

Investment Philosophy

The Munder Multi-Capitalization Strategy invests in companies that we believe have potential for superior earnings growth, 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 Strategy for strong competitive performance. These are the characteristics that have historically contributed to the Strategy's successful long-term record, and we firmly believe they should continue to serve our investors well.

Market Overview

The Munder Multi-Capitalization Strategy outperformed its Russell 3000[®] Index benchmark by 201 basis points (bps) net and 226 bps gross. Positive relative return was generated from stock selection, as the effect from sector allocation was minimal. On a sector basis, stock selection was positive in the Industrials, Health Care, Consumer Discretionary, and Financials sectors. The Strategy's average sector allocation during the quarter was close to benchmark weight, with the exceptions being a Financials sector overweight and a Health Care sector overweight. The Technology sector was underweight, and the Strategy has no exposure to the Utilities sector.

Within the Russell 3000[®] Index benchmark, the Russell 3000[®] Growth Index outperformed the Russell 3000[®] Value Index, continuing a trend from last year driven by price gains in the large-cap sector. Growth stocks also outperformed Value stocks in the small-cap sector, and Growth modestly outperformed Value in the mid-cap sector. In relation to the Russell 3000[®] benchmark, mid-cap and small-cap stock performance lagged, especially in the small-cap sector of the market. The Strategy's style factor exposure to price momentum was the largest contributor to performance. Style exposure to small-cap stocks offset some of the price momentum returns as large-cap stocks continue their multi-quarter price performance gains.

The Strategy's stock selection was positive in the Health Care and Industrials sectors. Within the Health Care sector, both of our GLP-1 drug stocks (Eli Lilly and Novo Nordisk) performed well on continued strong demand for weight-loss drugs. Medpace Holdings performed well as orders continue to come in better than expected and as optimism that biotech research spending will accelerate strengthens. In Industrials, Comfort Systems and Emcor Group performed well on solid earnings growth driven by artificial intelligence (AI) growth, which requires significant infrastructure in electrical and mechanical facilities as well as data center infrastructure. Saia performed well on improving volume demand from the Yellow Corp. liquidation.

Stock selection was weak in Technology and Communication Services. Within Technology, a few of our small-cap semiconductor holdings lagged due to lowered earnings expectations as the inventory correction cycle did not improve as expected this quarter. In addition, the style was modestly underweight Nvidia Corp., which rallied 82% during the quarter on AI chip demand, which penalized relative returns by 40 bps. Within Communication Services, both The New York Times Company and Yelp reported modestly disappointing earnings and both stocks retreated in the quarter. We view current investor concerns as temporary and continue to hold both positions.

On an individual basis, the top positive active contributing stocks were Comfort Systems and Emcor Group. As mentioned earlier, both stocks performed well on solid earnings growth driven by AI and demand for data center infrastructure. The top negative active contributors were the Nvidia underweight and Amphastar Pharmaceuticals. Amphastar declined on concerns regarding a weak sales launch of its diabetes nasal spray Baqsimi, which it acquired from Eli Lilly in late 2023. We continue to own both securities in the portfolio.

At quarter-end, the Strategy is overweight the Financials and Health Care sectors and underweight Technology, Consumer Staples, and Utilities (no exposure). Overall, the Strategy's market capitalization is approximately 6% lower than the benchmark on a weighted market-cap basis. The Strategy continues to have positive exposure to earnings yield, profitability, growth, and momentum.

Top 5 Contributors (% Rep. Account)	
NVIDIA Corporation	1.68
Microsoft Corporation	0.86
Eli Lilly and Company	0.82
EMCOR Group, Inc.	0.75
Comfort Systems USA, Inc.	0.60
Top 5 Detractors (% Rep. Account)	
Apple Inc.	-0.63
Amphastar Pharmaceuticals, Inc.	-0.44
Yelp Inc	-0.27
Tesla, Inc.	-0.13
MGP Ingredients, Inc.	-0.13

Top Ten Holdings (Rep. Account)	Sector
Microsoft Corporation	Information Technology
Alphabet Inc. Class A	Communication Services
Apple Inc.	Information Technology
NVIDIA Corporation	Information Technology
Amazon.com, Inc.	Consumer Discretionary
Eli Lilly and Company	Health Care
Meta Platforms Inc Class A	Communication Services
Visa Inc. Class A	Financials
Cadence Design Systems, Inc.	Information Technology
JPMorgan Chase & Co.	Financials
Total % of Portfolio	33.02%

Investment Performance (%)	QTR	YTD	ANNUALIZED RETURNS				
			1 Year	3 Year	5 Year	10 Year	Since Inception*
Munder Multi-Capitalization Composite (Gross)	12.28	12.28	32.42	13.86	15.85	12.88	11.95
Munder Multi-Capitalization Composite (Net)	12.03	12.03	31.22	12.82	14.79	11.87	11.09
Russell 3000® Index	10.02	10.02	29.29	9.78	14.34	12.33	—

Source: Zephyr.

*Since inception results are as of July 1, 2003. A GIPS® Report is available upon request. Past performance does not guarantee future results.

Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. Returns greater than one year are annualized. Returns are expressed in U.S. dollars. Composite returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

Composite and benchmark returns are presented net of non-reclaimable withholding taxes, if any. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. The composite net-of-fees returns shown reflect gross performance less actual investment management fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part II of its Form ADV.

The Munder Multi-Capitalization Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Munder Multi-Capitalization Strategy. The Strategy focuses on companies with above-average earnings growth and strong earnings momentum, combined with reasonable valuations and strong investor sentiment. The composite creation date is July 2003.

The benchmark of the composite is the Russell 3000® Index. The Russell 3000® Index is a market-capitalization-weighted index that measures the performance of the 3,000 largest U.S. stocks by market capitalization and covers 98% of the investable U.S. equity universe.

Characteristics, Top Ten Holdings and Sector Diversification source: FactSet Research Systems, Inc. The top ten holdings and sector diversification are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. 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.

Holdings are as of quarter end and may change at any time. This material should not be construed as a recommendation to buy or sell any security.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the Strategy due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

A complete list of all holdings for the previous 12 months, each holding's contribution to the strategy's performance, and the calculation methodology used to determine the holdings' contribution to performance

is available on request. Victory Capital Management Inc., and its affiliates, as agents for their clients, and any of its officers or employees, may have a beneficial interest or position in any of the securities mentioned, which may be contrary to any opinion or projection expressed in this report. This information should not be relied upon as research or investment advice regarding any security in particular.

Index returns are provided to represent the investment environment during the periods shown. Index performance does not reflect management fees, transaction costs or expenses that would be incurred with an investment. One cannot invest directly in an index.

The information in this article is based on data obtained from recognized services and sources and is believed to be reliable. Any opinions, projections or recommendations in this report are subject to change without notice and are not intended as individual investment advice.

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Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®).

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