RS MID CAP GROWTH STRATEGY
QUARTERLY COMMENTARY

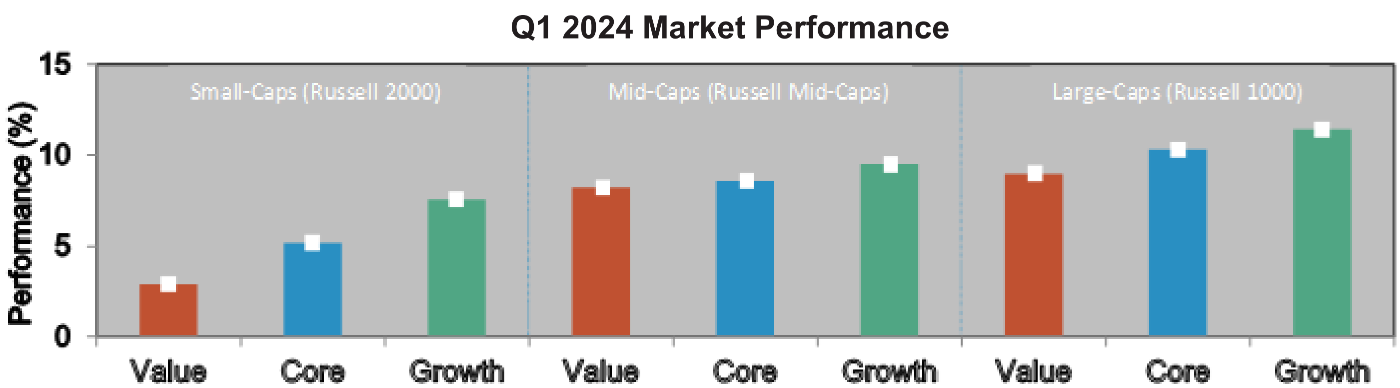
RS Investments®
A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of March 31, 2024

Quarterly Highlights

- The RS Mid Cap Growth Strategy returned 11.78% gross (11.58% net) for the three months ended March 31, 2024, outperforming the Russell Midcap® Growth Index,[1] which returned 9.50%.
- Strategy performance relative to the benchmark was positively impacted by stock selection in the Consumer Staples sector; stock selection in the Financial Services and Health Care sectors offset a portion of the outperformance.
- This period's absolute performance was aided in part by the relative performance of secular mid-cap growth stocks as mid growth, as defined by the Russell Midcap® Growth Index, outperformed mid-cap value, as defined by the Russell Midcap® Value Index,[2] 9.50% vs. 8.23%.
- 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.
- Mid-cap growth stocks have outperformed their mid-cap value counterparts over 5, 10, and 15 years as of March 31, 2024, per Russell.

Market Performance / Fundamentals Snapshot



Value = Russell 2000® Value Index	Value = Russell Midcap® Value Index	Value = Russell 1000® Value Index
Core = Russell 2000® Index	Core = Russell Midcap® Index	Core = Russell 1000® Index
Growth = Russell 2000® Growth Index	Growth = Russell Midcap® Growth 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

The U.S. stock market continued its strong momentum in the first quarter of 2024. The iconic S&P 500® Index,[3] the most popular proxy for the domestic market, clocked in with an impressive return of 10.56% during the first quarter. The market's strong run reflects solid economic growth, low unemployment and surprising payroll data, and a consumer that continues to spend, albeit at a slightly lower rate than last year. All this has been fueling corporate earnings and, ultimately, share prices.

It's interesting to note that equities continued to push higher during the quarter in the face of rising yields. The rally in stocks at year-end was largely fueled by the expectation that the Federal Reserve would be more accommodative, perhaps as early as March. But inflation data continued to be higher than the Federal Reserve's target, and this has pushed out expectations for interest rate cuts until June or beyond. Not surprisingly, yields across the curve moved higher during the first quarter, with the 10-year Treasury yield ending March at approximately 4.2%. Nevertheless, equities shrugged off these changing rate-cut expectations. Stocks also seemed unfazed by ongoing geopolitical turmoil and high energy prices that could make inflation "sticky" and keep the Federal Reserve on the sideline for longer.

In terms of investment styles, the Russell 3000® Growth Index[4] clocked in with impressive gains of 11.23%, thanks largely to the ongoing excitement surrounding artificial intelligence, as well as performance of the Technology and Communication Services sectors. Large-cap stocks once again assumed the leadership position, as the Russell 1000® Growth Index[5] rose 11.41% during the first quarter. Small-cap growth stocks, as measured by the Russell 2000® Growth Index,[6] also returned an impressive 7.58% during the quarter, while the Russell Midcap® Growth Index[5] delivered a return of 9.50%.

While many growth-oriented investors continue to gravitate toward large-cap stocks, we have been encouraged to see the wider participation of more small- and mid-cap growth stocks in the market rally, which we began to see in earnest late last year. Our team continues to focus on identifying potential opportunities within secular growth, and we believe many of these smaller companies

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are priced attractively compared to the broader market, even after solid first quarter performance.

Moreover, we are convinced that we are still in the early stages of a secular shift that is transforming how consumers, businesses, and employees interact, especially after witnessing extensive technological advancements and acceptance during the initial stages of the pandemic. What was once a test run of certain products and technologies has become mainstream and standard operating procedure for many companies. Furthermore, new emerging technologies such as artificial intelligence are poised to have a significant impact in the years ahead, particularly among growth-oriented investment styles.

Investment Strategy

The RS Mid Cap Growth Strategy (the “Strategy”) 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, we believe, 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 Strategy 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 RS Mid Cap Growth Strategy returned 11.78% gross (11.58% net) for the three months ended March 31, 2024, outperforming the Russell Midcap® Growth Index, which returned 9.50%. Strategy performance relative to the benchmark was positively impacted by stock selection in the Consumer Staples sector; stock selection in the Financial Services and Health Care sectors offset a portion of the outperformance. This period’s absolute performance was aided in part by the relative performance of secular mid-cap growth stocks as mid growth, as defined by the Russell Midcap® Growth Index, outperformed mid-cap value, as defined by the Russell Midcap® Value Index, 9.50% vs. 8.23%. 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. Importantly, mid-cap growth stocks have outperformed their mid-cap value counterparts over 5, 10, and 15 years as of March 31, 2024, per Russell.

Top Contributing Sector: Consumer Staples

One of the largest drivers of relative outperformance within the Consumer Staples sector was Freshpet, Inc. (1.81% ending weight), a national provider of fresh and healthier pet foods. Demand has far outstripped supply at Freshpet, and recent strong quarterly results suggest that their recent increase in production capacity will be fulfilled with continued strong demand. We continue to believe that Freshpet is a category-killer in the fresh food space and as such hold a large position. In addition to strong top-line revenue growth, Freshpet’s margins are also expanding rapidly as they pursue increased levels of profitability. These attributes have enabled the company to outpace its consumer staples peers from a return standpoint, which augurs well for continued success in implementing their long-term strategy.

Top Detracting Sector: Financial Services

Within the Financial Services sector, the largest underperformer was Shift4 Payments (1.14% ending weight), a payments and software solutions provider to the hospitality, sports venue, health care and nonprofit verticals. Shift4 saw weakness in the quarter after a strong year last year, as the stock had run up when management announced in Q4 that they were pursuing strategic alternatives for the company, including a possible outright sale. Recently, the company announced the board had decided to abandon a sale of the company, as the bids were “inadequate.” While an ultimate sale of the company is possible in the future, nothing appears imminent, and the shares sold off as the takeout premium was eliminated. We continue to hold a core position but had trimmed the position back considerably as the stock had performed well into the speculation of a deal being consummated.

Market and Strategy Outlook

We are optimistic about the health of the domestic economy in 2024 and are excited about the prospect that the U.S. economy remains strong and that the Federal Reserve is done hiking interest rates. While the full impact on the economy from the rate hiking campaign is as yet unclear, any healthy pullback in economic activity, if coupled with solid consumer and business spending, could augur a very favorable backdrop for growth stocks. We remain especially optimistic about worker productivity against a healthy and resilient employment backdrop, which should help corporate profit momentum. Certain segments of the economy appear well positioned to continue to grow, while company valuations vary significantly across styles.

In the current investment landscape, there is a notable 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 with that of their larger-cap peers.

Overall, while interest rate and inflation uncertainty remains, we believe that opportunities will emerge in sectors and industries that demonstrate resilience through the cycle and sustained growth. We feel that secular growth companies within the growth universe are particularly attractive relative to cyclicals due to their strong and consistent fundamentals and potential for continued outperformance.

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 (Representative Account)[7]

As of March 31, 2024

Sector	% of Portfolio
Technology	26.96%
Health Care	18.26%
Producer Durables	15.92%
Consumer Discretionary	14.91%
Financial Services	14.17%
Energy	3.78%
Materials & Processing	2.86%
Consumer Staples	2.34%
[Cash]	0.79%
Utilities	0.00%

Top 10 Holdings (Representative Account)[8]

As of March 31, 2024

Holding	% of Portfolio
Trade Desk, Inc. Class A	3.44%
CrowdStrike Holdings, Inc. Class A	3.34%
FirstCash Holdings, Inc.	2.71%
AppLovin Corp. Class A	2.33%
DexCom, Inc.	2.30%
West Pharmaceutical Services, Inc.	2.17%
Clean Harbors, Inc.	2.11%
MSCI Inc. Class A	2.10%
Chart Industries, Inc.	2.01%
Pinterest, Inc. Class A	1.97%

Composite Performance

Average Annual Returns as of March 31, 2024

RS Mid Cap Growth Composite	First Quarter 2024	1-Year	3-Year	5-Year	10-Year	Since Inception (7/12/95)
Gross of fees	11.78%	23.27%	-1.53%	6.42%	8.33%	10.34%
Net of fees	11.58%	22.41%	-2.22%	5.68%	7.51%	9.13%
Russell Midcap® Growth Index[1]	9.50%	26.28%	4.62%	11.82%	11.35%	9.95%

Returns include reinvestment of dividends and capital gains. Performance returns for periods of less than one year are not annualized.

Past performance does not guarantee future results.

Composite and benchmark returns are net of non-reclaimable withholding taxes, if any. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns reflect gross performance less investment management fees. Net-of-fees returns are calculated by deducting one-twelfth of the highest tier of the standard fee schedule in effect for the period noted (the model fee). The composite model fee for each period is either the highest tier of the current fee schedule or a higher value, whichever is required to ensure the model composite net-of-fee return is lower than or equal to the composite net-of-fee return calculated using actual 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 2A of its Form ADV.

Index returns are provided to represent the investment environment during the periods shown. Index returns reflect the reinvestment of dividends and capital gains but do not include advisory fees, transaction costs, or other expenses that would be incurred with an investment. One cannot invest directly in an index.

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 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.

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4 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.

5 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.

6 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.

7 The Representative Account'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.

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

All investments carry a certain degree of risk, including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class.

The opinions are as of the date indicated 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.

The RS Mid Cap Growth Composite invests principally in equity securities of mid-capitalization growth companies. The benchmark is the Russell Midcap® Growth Index. The composite was created in July 1995.

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.

Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®). Request a GIPS® Report from your Institutional Relationship Manager or visit www.vcm.com.

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