

# IN BRIEF



## Bear necessity

A rules-based strategy that systematically shifts allocations between stocks and cash may help curb emotional decision-making

Protracted market drawdowns are unsettling and can incite emotional and potentially destructive decision-making. So how can investors maintain conviction in turbulent times?

One possible solution is to employ a systematic, disciplined approach that provides exposure to stocks with a built-in mechanism to shift to cash equivalents depending on market conditions.

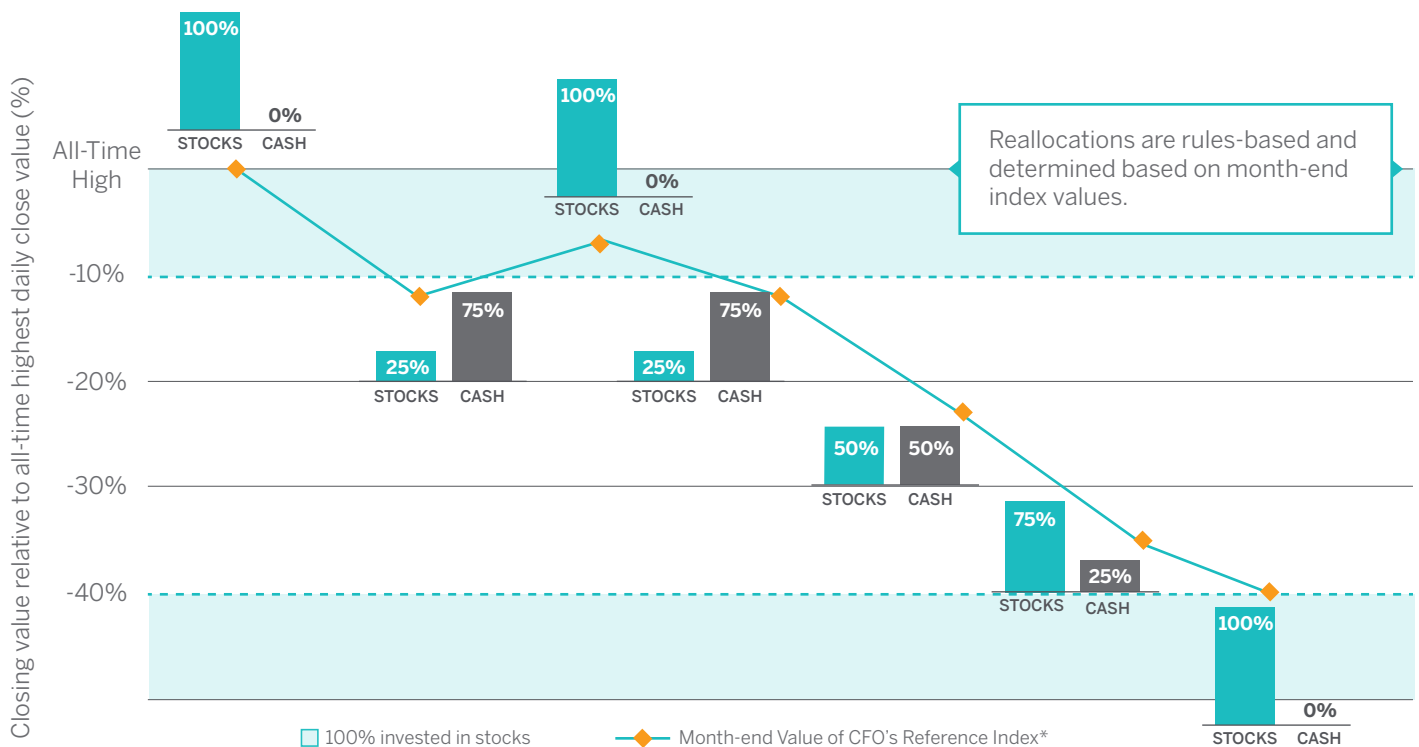
### Disciplined to buy low

VictoryShares offers a suite of enhanced ETFs that tracks the performance of the Nasdaq Victory Long/Cash Volatility Weighted Indices, offering exposure to different broad segments of the stock market. These Long/Cash Indices systematically adjust stock/cash allocations up and down based on market conditions.

When the ETFs are less than 100% invested in stocks, the remaining assets are invested in cash equivalents (30-day T-bills). Reallocations are rules-based and determined based on month-end index values.

#### HOW IT WORKS:

VictoryShares US 500 Enhanced Volatility Wtd ETF (CFO)



For illustrative purposes only and does not represent any VictoryShares ETF's performance.

Not FDIC Insured • May Lose Value • No Bank Guarantee



## Available in multiple asset classes

VictoryShares offers a suite of enhanced ETFs in multiple core asset classes—U.S. large cap, high-dividend focused U.S. large cap, U.S. small cap and international large cap. Each long/cash index has its own set of specific reallocation points, determined by historical volatility for that market segment.

**CFO** VictoryShares US 500 Enhanced Volatility Wtd ETF

**CSF** VictoryShares US Discovery Enhanced Volatility Wtd ETF

**CDC** VictoryShares US EQ Income Enhanced Volatility Wtd ETF

**CIZ** VictoryShares Developed Enhanced Volatility Wtd ETF

## Systematic reallocation

Reduces equity exposure in times of turmoil and reinvests when market prices have further declined or rebounded.

CFO (U.S. large cap)	CDC (U.S. large cap high div.)	CSF (U.S. small cap)	CIZ (Int'l large cap)	Allocation
Normal market fluctuations				100% Equities/0% Cash
Down 10%	Down 8%	Down 11%	Down 12%	25% Equities/75% Cash
Down 20%	Down 16%	Down 22%	Down 24%	50% Equities/50% Cash
Down 30%	Down 24%	Down 33%	Down 36%	75% Equities/25% Cash
Down 40%	Down 32%	Down 44%	Down 48%	100% Equities/0% Cash

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Based on the month-end price relative to its all-time high daily closing value of each corresponding reference index.

Equities Cash

Want to learn more? Please contact your financial advisor or visit [www.victoryshares.com](http://www.victoryshares.com)

**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](http://www.vcm.com/prospectus). Read it carefully before investing.**

**All investing involves risk, including the potential loss of principal.**

The Fund has the same risks as the underlying securities traded on the exchange throughout the day. Redemptions are limited, and commissions are often charged on each trade. ETFs may trade at a premium or discount to their net asset value. The Fund invests in securities included in, or representative of securities included in, the Index, regardless of their investment merits. The performance of the Fund may diverge from that of the Index. 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. Investments in smaller companies typically exhibit higher volatility. The value of the Fund's direct or indirect investments in fixed income securities may be negatively affected by changes in interest rates and/or changes in the actual or perceived ability of an issuer to meet its (or their) obligations. Strategies intended to hedge risk may

## Who should consider the VictoryShares enhanced volatility weighted suite of ETFs?

- Investors seeking broad, diversified equity exposure with downside management.
- Investors looking to replace or supplement an existing core equity allocation with a disciplined, cost-effective ETF solution.
- Investors who want to eliminate emotional decision making during a protracted market downturn.

be partly or wholly unsuccessful. 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. Fund holdings and sector allocations are subject to change, may differ from the Index, and should not be considered investment advice.

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