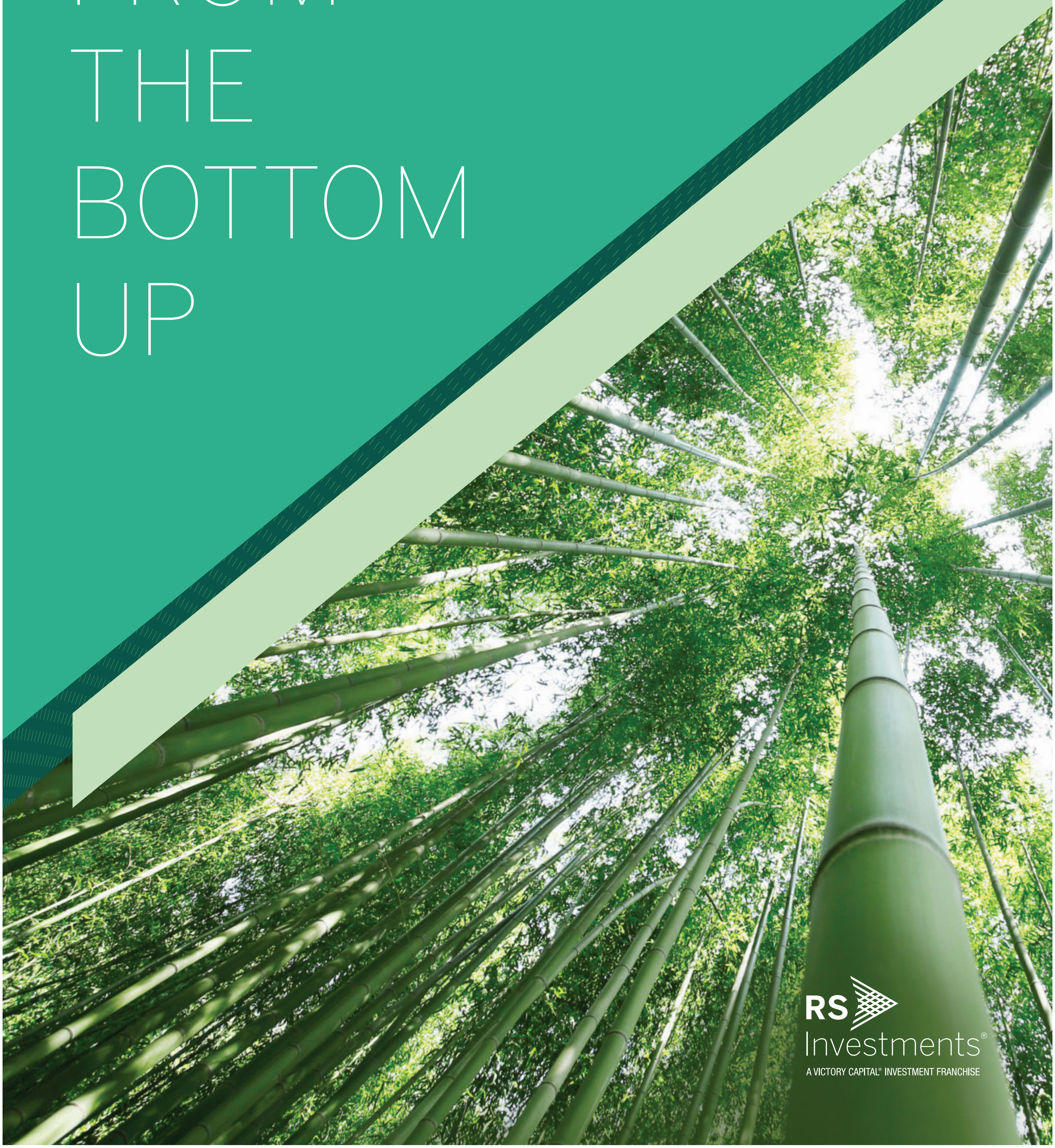
RS GROWTH TEAM

GROWTH FROM THE BOTTOM UP



RS Investments®
A VICTORY CAPITAL® INVESTMENT FRANCHISE

AT VICTORY CAPITAL, WE MOVE OUR CLIENTS FORWARD.

RS Investments, a Victory Capital investment franchise based in San Francisco, California, has delivered an array of actively managed equity strategies since 1986.

Critical thinking, deep research, and careful security selection are the hallmarks of our long-term investment approach. We offer strategies that focus on pursuing better outcomes for our clients.

OVERVIEW

THE RS GROWTH ADVANTAGE

One of the greatest challenges growth investors face is how to distinguish a company's stock outlook from its business outlook. The movement of stock prices is often exaggerated compared to the fluctuation of near-term business results, which can create price dislocations relative to the long-term prospects of a business.

The RS Investments Growth Team is structured to take advantage of these gaps using a disciplined and highly repeatable process that is rooted in fundamental research and, most importantly, orchestrated around risk management. Their approach is based on three key tenets:

> **Emphasize innovation—**Search for pioneering, disruptive businesses that they believe can change an industry.

> **Focus on the long term—**Highlight companies that are aligned with the team's fundamental beliefs and that rank highly on key metrics.

> **Manage risk throughout the investment process—**Seek an attractive risk/reward profile at the time of purchase and deploy a three-stage risk management screen on all holdings to help mitigate the negative impact of any single position.

The team's goal is to deliver a lineup of high-conviction, high-active-share* portfolios composed of innovative companies that pursue competitive investment performance over time.**

"We invest in companies large and small, which gives us the flexibility to stick with businesses as they grow."

*Active share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

**There is no guarantee that any portfolio will achieve its objective.

INVESTMENT TEAM

THE LONG GAME

At RS Investments, a Victory Capital investment franchise, growth investing runs deep, dating back nearly 30 years ago.

The eight-member RS Growth Team believes that investment decisions should be made by those closest to each business. That's why they are aligned by sector, and final portfolio recommendations reside with sector analysts.

This structure allows team members to develop an edge in understanding each stock that can only be reached by intensive, company-specific research. In fact, many holdings in the team's mid- and large-cap portfolios started out in a small-cap portfolio. The analyst's knowledge, cultivated over multiple market cycles, provides both depth and perspective that can only be achieved over time.

Throughout the years, the team has refined their investment discipline and applied it consistently across sectors and strategies. They interact daily—challenging each other's ideas, ways of thinking, and approaches to portfolio construction, as well as the merits and risks of each investment idea.

The RS Growth Team takes pride in maintaining a close alignment of interests with those of its investors, with all team members having a personal stake in the success of the firm.

> *"We put decision-making into the hands of those who have the most knowledge and experience in each industry."*

THE RS GROWTH TEAM

The RS Growth Team is led by four portfolio managers who have worked together for almost a decade and includes three research analysts.

PORTFOLIO MANAGEMENT TEAM

SCOTT TRACY, CFA
Chief Investment Officer
SECTORS COVERED:
Financials, energy

MELISSA CHADWICK-DUNN
SECTOR COVERED:
Healthcare

STEVE BISHOP
SECTOR COVERED:
Technology

CHRIS CLARK, CFA
SECTORS COVERED:
Healthcare,

ANALYST TEAM

JOHN TILNEY, CFA
SECTORS COVERED:
Producer durables, materials & processing

LESLEY BUNIM
SECTOR COVERED:
Consumer discretionary

PAUL LEUNG, CFA
SECTORS COVERED:
Technology, utilities

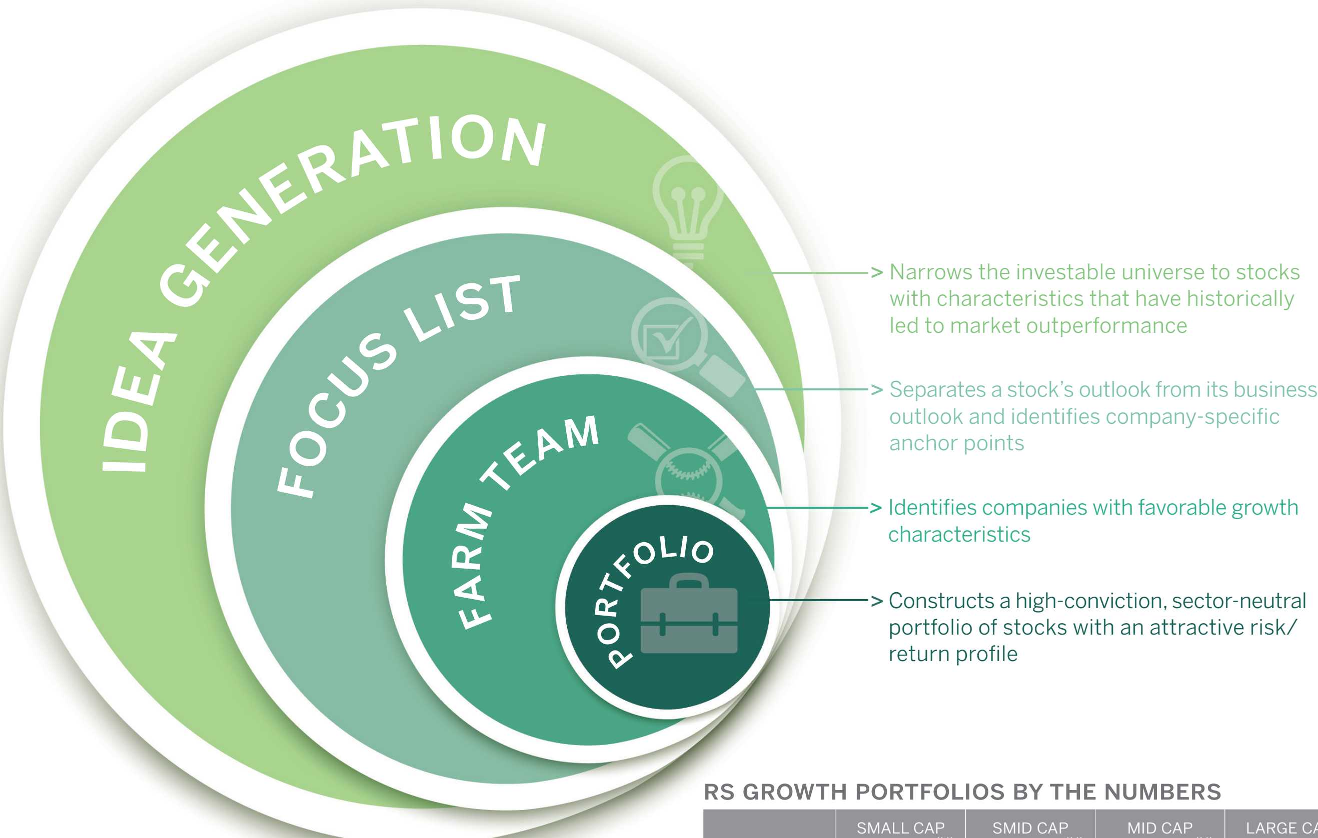
TREVOR MARTIN, CFA
SECTORS COVERED:
Consumer staples

INVESTMENT PROCESS

ROOTED IN FUNDAMENTAL RESEARCH

The RS Growth Team seeks to deliver excess returns through bottom-up security selection based on company fundamentals, driven by the philosophy that sustainable earnings growth generates long-term stock appreciation.

The team looks first to discover great companies, and then to invest when they're great stocks. They maintain a long-term investment horizon, focusing on the factors that drive business success over three to five years. Continually honed over multiple market cycles, the team's approach establishes a consistent, disciplined process to identify promising growth companies poised for attractive performance over a full market cycle.*



RS GROWTH PORTFOLIOS BY THE NUMBERS

	SMALL CAP PORTFOLIO**	SMID CAP PORTFOLIO**	MID CAP PORTFOLIO**	LARGE CAP PORTFOLIO**
UNIVERSE	2000	2500	2000	2000
FOCUS LIST	500	300	300	250
FARM TEAM	200	120	160	150
PORTFOLIO	70–90	45–60	60–80	40–60

*There is no guarantee that any portfolio will achieve its objective.

**RS Growth portfolios are available as mutual funds and separate account strategies.

IDEA GENERATION

Sector specialists discover new stock ideas from both internal and external sources, supported by quantitative and fundamental techniques. Qualitative sources include analyst industry knowledge gained from 2,000 company meetings each year, primary research, industry conferences, and a deep sell-side analyst network. Quantitative screens help identify attractive stocks that meet five key criteria demonstrated to be essential characteristics of strong growth stocks:

1) **Growth sustainability—**Focus on companies that the team believes can deliver double-digit growth over three to five years.
2) **Company quality—**Seek out good businesses with high return on equity, high and improving margins, and low debt.
3) **Attractive relative valuation—**A good company on the Farm Team and a good stock in the portfolio is differentiated by how it is priced.
4) **Positive earnings estimate revisions—**The company has a track record of earnings that have exceeded analyst expectations.
5) **Favorable relative strength—**The stock's recent price trend reflects the company's strong fundamentals.

The team then scores the applicable universe based on these five factors and performs rigorous fundamental research on companies within the top two quintiles.

FOCUS LIST

Fundamental research—deep, company-specific analysis focused on long-term business prospects—separates a company's stock outlook from its business outlook.

This research seeks to gain an information edge by identifying anchor points for each company. Anchor points are business drivers that mark a company's expected growth trajectory and facilitate a longer-term investor's view.

The most attractive companies offer identifiable anchor points that provide the team with the conviction to hold a stock through periods of heightened volatility.

This process narrows the universe of attractive stocks to a more manageable Farm Team.

WHAT ARE ANCHOR POINTS?

Analyst-defined business anchor points are drivers and milestones a company is expected to reach and typically:

> Tie the team's investment thesis to each company's three- to five-year earnings projections, which helps facilitate a longer-term view.

> Give the team continued conviction to hold a stock through periods of heightened volatility.

FARM TEAM

All companies on the Farm Team have been subjected to intense fundamental research that includes both qualitative and quantitative analysis. Their favorable growth characteristics, high return on equity, high and improving margins, and low debt make them, in the view of the managers, some of the best companies.

Portfolio managers then rank each of these companies based on the analysts' valuation estimates of upside potential return versus downside risk. The upside price target is based on a fair multiple of the analyst's estimate of earnings for the upcoming calendar year. The downside estimate is based on a more conservative multiple of the company's last 12 months of earnings.

PORTFOLIO

In the team's estimation, the difference between a good company and a good stock is its valuation. This is where the analyst's estimate of upside potential versus downside risk comes in. Only those stocks with an estimated ratio of 2:1 or better are considered for inclusion in a portfolio.

Portfolio managers look to build sector-neutral portfolios with relatively narrow allocation bands (typically between plus-or-minus 20% of benchmark weights) with the goal of driving excess performance primarily through stock selection.

This investment process aims to take advantage of market inefficiencies by building growth portfolios with high active share.

By applying this process consistently, the team believes it can capture most of the upside of positive market returns while avoiding some of the downside of negative markets. Their objective, of course, is to pursue strong absolute and risk-adjusted returns over full business cycles. As with all investments, there is no guarantee that a fund will achieve its objective.

> *"We look to identify companies that can parlay their innovative ideas into sustainable earnings growth."*

RISK MANAGEMENT AND SELL DISCIPLINE

KNOW THE RISKS

For the RS Growth Team, the path to returns is just as important as the returns themselves, so they've devoted considerable attention to building and refining their risk management framework.

Risk management isn't a separate discipline—it's integrated throughout the investment process. It begins with the analyst's estimate of upside potential versus downside risk and continues with weekly meetings where the team continually scrutinizes individual securities. A three-part risk management protocol then helps minimize the potential negative impact of any individual position.

1 RADAR

The Radar helps maintain the team's objectivity about each holding. Most important, it helps ensure that a holding's hard-won gains aren't lost.

Designed to flag potential issues with a company's fundamentals before they are well known, the Radar may give the team an advance warning of potential problems.

It utilizes quantitative analysis of technical factors—such as breaking a moving average; increase or decrease in the stock's volatility; or performance that differs materially from sector peers—that may foreshadow a stock's future negative developments.

The team then further analyzes each stock to understand the causes of its behavior to determine whether to sell, hold or add to a position.

2 EARLY WARNING SYSTEM

The Early Warning System examines the previous month's 10 best- and worst-performing holdings, aiming to catch underperforming stocks before they have a material impact on portfolio performance.

At this stage, portfolio managers and analysts will assess whether a stock's price weakness reflects serious issues with the business, or whether it represents a temporary blip in performance.

Depending on the results, the team may continue to hold the stock, add to a position, or sell it.

Risk management marries the best of the team's fundamental research with sophisticated quantitative analysis.

3 THE GAUNTLET

Stocks on the Gauntlet have scored poorly within the team's quantitative ranking system as well as exhibited price weakness that has likely detracted materially from portfolio performance. To reach the Gauntlet, a stock has likely had one or more negative developments—within the business itself or in the marketplace—that have caused its weakness.

For these reasons, the team places limits on these holdings—generally, stocks on the Gauntlet can represent no more than 10% of the total portfolio while an individual analyst's holdings are limited to 2% of the total portfolio. These stocks are subjected to a comprehensive review in which the entire team scrutinizes the investment thesis to ensure objectivity.

Continued ownership requires a full defense that includes analysis of reasons to own, anchor points, valuation, and a re-examination of its upside/downside ratio. Above all, the team must have a clear rationale for how they expect the stock to leave the Gauntlet and outperform going forward.

Most of the time, the team will sell stocks that have reached the Gauntlet but periodically they will defend and continue to hold stocks with positive outlooks.

SELL DISCIPLINE

The team believes the decision to sell is as important as the decision to invest. That's why they employ rigorous fundamental analysis, supported by quantitative tools, to determine when to sell or trim a position. Catalysts that may prompt a sale include:

> The stock reaches the analyst's upside price target.

> Bottom-up analysis determines that the underlying fundamentals of the company have changed.

> A firm fails to reach predetermined anchor points, which often presages revenue and earnings shortfalls that subsequently lead to stock underperformance.

> A company's competitive advantage declines, the investment thesis fails, or senior management changes.

> A better opportunity exists elsewhere.

GROWTH AT-A-GLANCE

The RS Investments Growth Team applies their process to portfolios that span the capitalization spectrum. All portfolios draw on the team's deep fundamental research and comprehensive risk management protocol that the team has honed over multiple market cycles. Together, they seek to offer a lineup of high-conviction portfolios with performance driven primarily by stock selection.

MUTUAL FUNDS	CLASS A	CLASS C	CLASS R	CLASS Y
VICTORY RS GROWTH FUND	RSGRX	RGWCX	RSGKX	RGRYX
VICTORY RS SELECT GROWTH FUND	RSDGX	RSGFX	RSDKX	RSSYX
VICTORY RS MID CAP GROWTH FUND	RSMOX	RMOCX	RSMKX	RMOYX
VICTORY RS SMALL CAP GROWTH FUND*	RSEGX	REGWX	RSEKX	RSYEX
VICTORY RS SMALL CAP EQUITY FUND**	GPSCX	RSCCX	RSCKX	RSCYX
VICTORY RS SCIENCE AND TECHNOLOGY FUND	RSIFX	RINCX	RIFKX	RIFYX

INSTITUTIONAL STRATEGIES
RS LARGE CAP GROWTH STRATEGY
RS SMALL/MID CAP GROWTH STRATEGY
RS MID CAP GROWTH STRATEGY
RS SMALL CAP GROWTH STRATEGY

*Closed to most new investors.

**Victory RS Small Cap Equity Fund is closed to new investors.
Please contact Victory Capital for more information.

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San Francisco, CA 94104

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As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. Investing in small- and mid-size companies can involve risks such as having less publicly available information, higher volatility, and less liquidity than in the case of larger companies. Overweighting investments in certain sectors or industries increases the risk of loss due to general declines in the prices of stocks in those sectors or industries. Investments in technology companies may be highly volatile.

An investor should consider the fund's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the investment company can be found in the fund's prospectus, or, if available, the summary prospectus. To obtain a copy, visit *www.victoryfundliterature.com.*

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