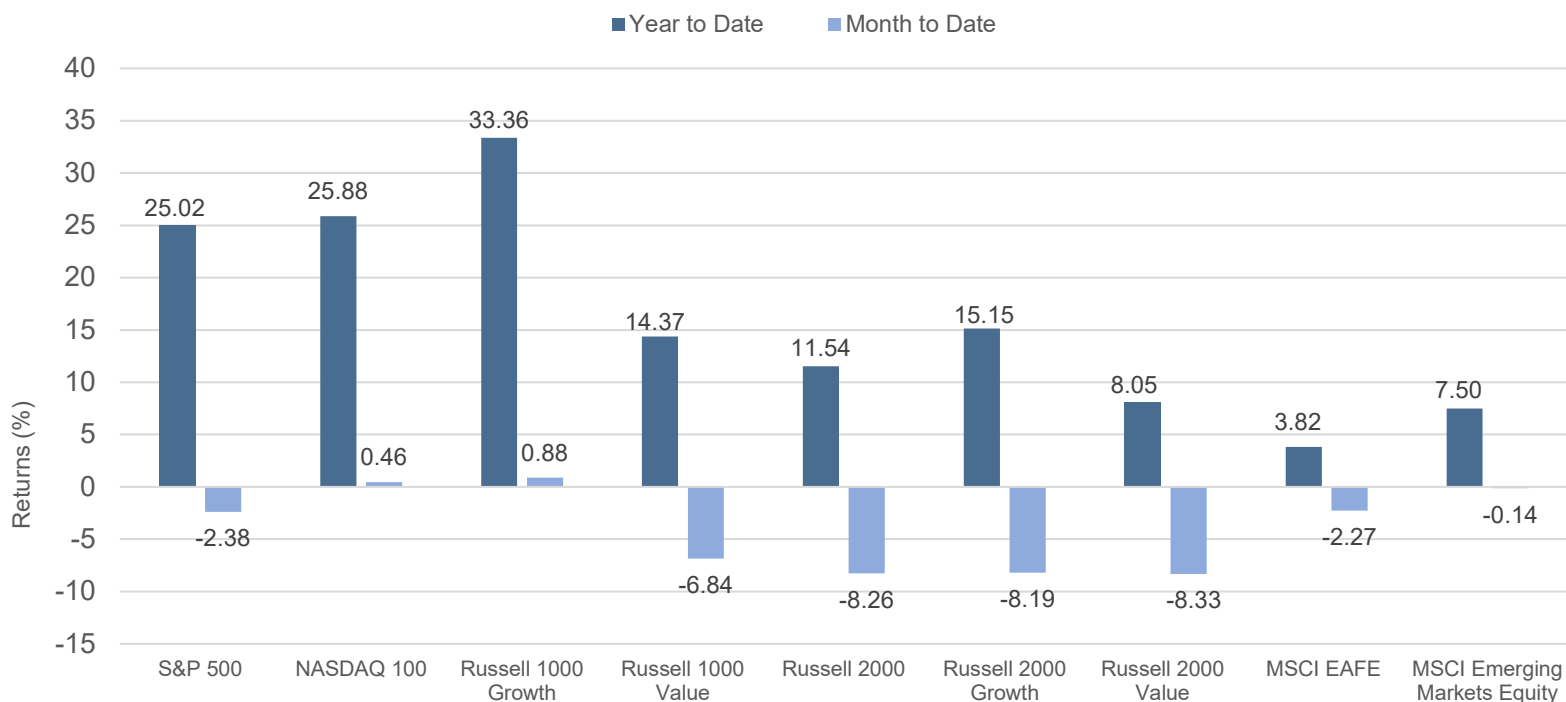


Key Takeaways:

In December, despite a pullback in equities, the major indices closed the year with positive returns. The S&P 500 Index achieved its second consecutive year of a return over 25%.

- One More Rate Cut:** The Federal Reserve ended the year with a 25-basis-point rate cut. While the decision was anticipated, some were surprised by the Federal Reserve’s more conservative outlook on future rate reductions.
- Small-Caps Underperform:** Small-cap stocks gave back most of their November gains. Although the Russell 2000 Index finished the year with a positive return, it continues to lag S&P 500 Index, which it has not outperformed since 2020.
- Materials Lag:** Only 3 of the 11 S&P 500 sectors delivered positive returns, with Communication Services and Financials as the top performers. Communication Services was the top-performing sector in 2024. Meanwhile, Materials underperformed all other sectors, both for the month and the year.
- 2025:** Following a strong year for equities, the question remains whether the market can sustain its positive momentum going into the new year. Several factors that could influence its trajectory include adoption and demand for A.I., policies from the incoming Trump administration, the Fed’s interest rate decisions, and the direction of economic growth.

Returns (%) for Equity Indices



Source: Bloomberg

Past performance is no guarantee of future results.

Index returns do not reflect management fees, transaction costs or expenses; one cannot invest directly in an index.

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MONTH-TO-DATE

YEAR-TO-DATE

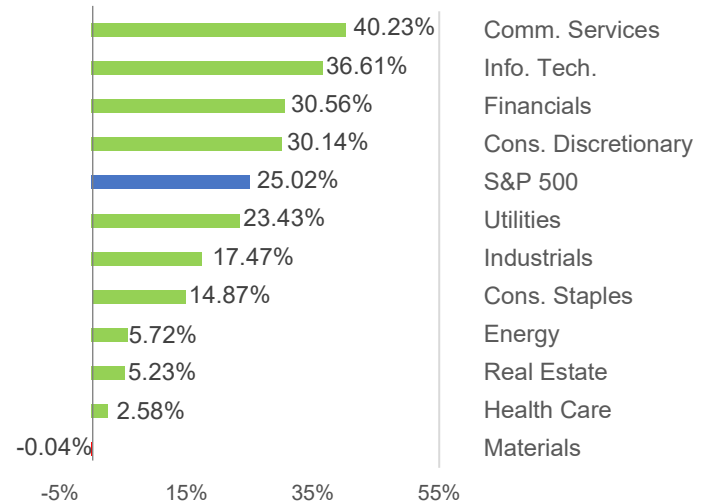
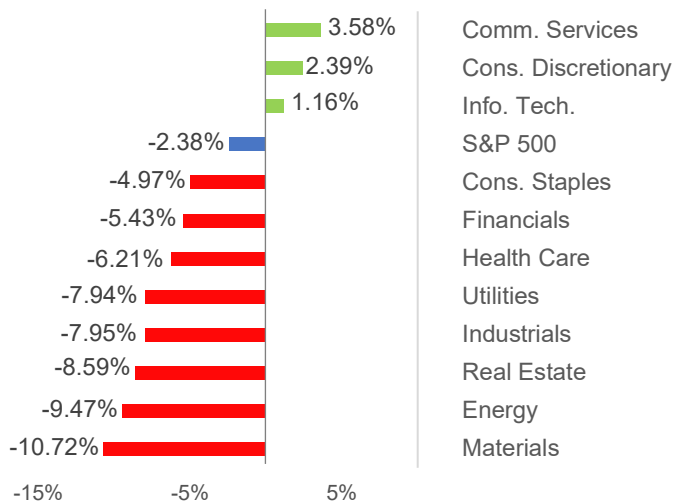
U.S. Style Returns

	Value	Blend	Growth
Russell Large	-6.84%	-2.79%	0.88%
Russell Mid	-7.32%	-7.04%	-6.22%
Russell Small	-8.33%	-8.26%	-8.19%

	Value	Blend	Growth
Russell Large	14.37%	24.51%	33.36%
Russell Mid	13.07%	15.34%	22.10%
Russell Small	8.05%	11.54%	15.15%

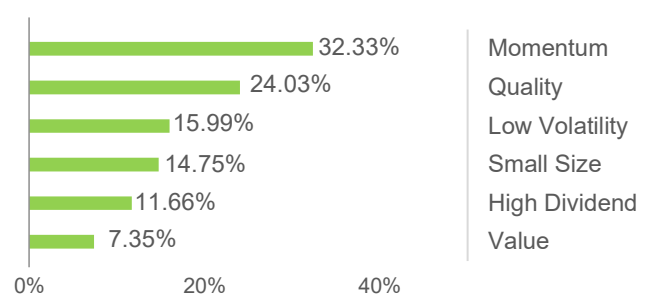
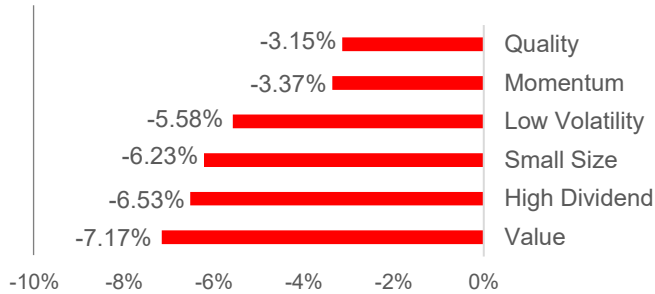
Source: FactSet

S&P 500 Sector Returns



Source: FactSet

MSCI USA Factor Index Returns



Source: MSCI; <https://www.msci.com/end-of-day-data-search>

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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. Interested parties are strongly encouraged to seek advice from qualified tax and financial experts regarding the best options for your circumstances.

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