RS LARGE CAP GROWTH STRATEGY
QUARTERLY COMMENTARY

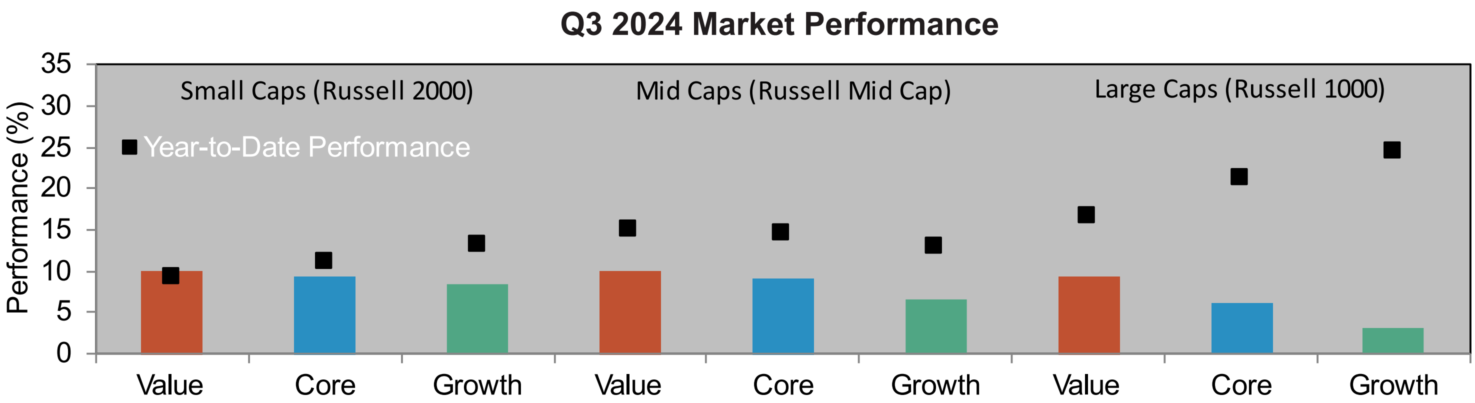
RS Investments
A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of September 30, 2024

Quarterly Highlights

- The RS Large Cap Growth Strategy returned 2.47% gross (2.34% net) for the three months ended September 30, 2024, underperforming the Russell 1000® Growth Index,[1] which returned 3.19%.
- Strategy underperformance relative to the benchmark was largely driven by stock selection within the Consumer Discretionary and Consumer Staples sectors; stock selection in the Technology and Financial Services sectors offset a portion of the underperformance.
- Despite the challenging performance over the past few years for growth, large-cap growth stocks have outperformed their large-cap value counterparts over 5, 10, and 15 years as of September 30, 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. equity market continued its recent strong performance run in the third quarter. The S&P 500® Index,[2] the most popular proxy for our domestic market, clocked in a gain of 5.9%, ending September at yet another record high. Despite strong overall gains for the headline index, market leadership shifted markedly beneath the surface during the quarter as investors finally began rotating out of large-cap tech stocks and into smaller, less-recognized names. Investors seemed to have become less enamored with momentum and all things related to artificial intelligence, and in turn favored the laggards with more attractive relative valuations. Market breadth improved during the quarter with greater participation across industries, investment styles, and the cap spectrum. Utilities and real estate were sector leaders, far outpacing communication services and technology. Energy was the only sector in the red during the third quarter.

The catalyst for this broadening participation can be largely attributed to the start of a new Federal Reserve easing cycle. Although investors had long been anticipating the arrival of rate cuts, the timing continued to be pushed out as the Fed awaited a clear signal that inflation was in check. The turning point came during the summer with some tame inflation data, along with a July jobs report that showed easing of tight labor markets. Finally, at the September FOMC meeting, the Fed cut the federal funds rate by 50 basis points, more than many pundits were expecting. This was the first rate cut since 2020, and the easing of monetary conditions may have provided a catalyst for more interest-rate-sensitive small-caps and other areas of the market.

Despite the continued strong quarterly returns, it's important to acknowledge that stocks endured a bout of volatility this past quarter, especially during August. Investors were caught off guard by what looked like rapidly slowing economic growth, some downward earnings revisions, and the unwinding of the Japanese yen-carry trade thanks to an unanticipated rate hike by the Japanese central bank. These factors, along with fears of a possible recession, rocked that market for a short spell. But when August was finally over, stocks had finished the month little changed. And then in September, stocks resumed their march higher, even in the face of elevated geopolitical tensions and an escalation of the war in the Middle East.

In terms of investment styles, value stocks bested growth stocks during the third quarter, though both styles clocked in with solid gains. The Russell 3000® Growth Index[3] returned 3.4% during the third quarter, bringing its year-to-date gains to an impressive 24.0% (as of the end of the third quarter). In contrast to recent quarters, small-cap growth stocks led the way as the Russell 2000® Growth Index[4] increased 8.4%. Large- and mid-cap growth stocks also participated in the rally. The Russell 1000® Growth Index rose 3.2% during the third quarter, while the Russell Midcap® Growth Index[5] rose 6.5% during the same period.

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Growth stocks have had a solid year, and now smaller-cap names appear to be participating. However, ample risks remain. There is uncertainty about near-term economic growth, and there is no guarantee that the Fed will continue to ease rates aggressively. Geopolitical issues are continuing, and a looming U.S. presidential election also provides possible headwinds. Nevertheless, we see many exciting growth companies, especially small- and mid-cap names. Our team continues to focus on identifying potential opportunities within secular growth, and we believe many smaller innovative companies are priced attractively compared to the broader market even after the impressive third quarter gains.

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. That trend, along with new emerging technologies (including artificial intelligence), is poised to have a significant impact in the years ahead, particularly among growth-oriented investment styles.

Investment Strategy

The RS Large 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 continue to grow 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, Paul Leung, and Trevor Martin. The six co-portfolio managers, as well as two research analysts, serve as sector specialists and are supported by two 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 Large Cap Growth Strategy returned 2.47% gross (2.34% net) for the three months ended September 30, 2024, underperforming the Russell 1000® Growth Index, which returned 3.19%. Strategy underperformance relative to the benchmark was largely driven by stock selection within the Consumer Discretionary and Consumer Staples sectors; stock selection in the Technology and Financial Services sectors offset a portion of the underperformance. Despite the challenging performance over the last few years for growth, large-cap growth stocks have outperformed their large-cap value counterparts over 5, 10, and 15 years as of September 30, 2024, per Russell.

Top Detracting Sector: Consumer Discretionary

The largest detractor from performance within Consumer Discretionary was Domino’s Pizza (0.62% ending weight), a global manager of a network of company-owned and franchise-owned pizza stores. Domino’s suffered in the third quarter from a slowdown in same-store sales (SSS), while exceeding revenue and earnings expectations. The quarter was in-line, but expectations were high and the forward outlook disappointed relative to expectations. The combination of these factors caused the shares to underperform. We continue to hold a smaller position and expect the company to rebound in the balance of 2024.

Top Contributing Sector: Technology

Within the Technology sector, one of the largest drivers of outperformance this quarter was ServiceNow, Inc. (1.94% ending weight), a provider of software solutions engaged in the provision of end-to-end workflow automation platforms for digital businesses. Its Now Platform cloud-based solution is embedded with artificial intelligence (AI) and machine learning (ML). ServiceNow had strong second quarter results and is levered to the secular AI theme, which we continue to believe has great long-term prospects. As such, we continue to hold a sizable position.

Market and Strategy Outlook

We are optimistic about the health of the domestic economy for the balance of 2024 and are excited about the prospect that the U.S. economy remains strong and that the Federal Reserve has finally begun to cut their benchmark rate. While the full impact on the economy from the multi-year 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 the interest rate and inflation picture is getting clearer and improving, the engineering of a soft landing for the economy remains unclear. As such, we believe that opportunities will emerge in sectors and industries that demonstrate secular 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	Steve Bishop	Melissa Chadwick-Dunn	Chris Clark, CFA	Paul Leung, CFA	Trevor Martin, CFA
CIO, Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager

Sector Allocation[6]
As of September 30, 2024

Sector	% of Portfolio
Technology	60.32%
Consumer Discretionary	16.17%
Health Care	8.46%
Financial Services	6.82%
Producer Durables	4.10%
Consumer Staples	2.25%
Materials & Processing	1.00%
Cash / Other Assets and Liabilities	0.45%
Energy	0.42%
Utilities	0.00%

Top 10 Holdings[7]
As of September 30, 2024

Holding	% of Portfolio
Microsoft Corporation	11.56%
NVIDIA Corporation	10.99%
Apple Inc.	10.71%
Meta Platforms Inc. Class A	5.93%
Alphabet Inc. Class C	5.15%
Eli Lilly and Company	4.63%
Amazon.com, Inc.	4.45%
Visa Inc. Class A	3.00%
Tesla, Inc.	2.67%
Target Corporation	2.37%

Composite Performance

Average Annual Returns as of September 30, 2024

RS Large Cap Growth Composite	Third Quarter 2024	1-Year	3-Year	5-Year	10-Year	Since Inception (5/31/09)
Gross of fees	2.47%	45.07%	11.25%	17.96%	14.62%	16.26%
Net of fees	2.34%	44.35%	10.70%	17.37%	13.94%	15.41%
Russell 1000® Growth Index[1]	3.19%	42.19%	12.02%	19.74%	16.52%	17.20%

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). Net returns prior to 1/1/2017 were calculated using actual fees. Prior to 1/1/2013, net-of-fees performance for some accounts in the composite reflect the deduction of administrative and other fees in addition to management fees and transaction costs. 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 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.

2 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.

3 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.

4 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.

5 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.

6 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.

7 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 Large Cap Growth Composite invests principally in equity securities of large-capitalization growth companies. The benchmark is the Russell 1000® Growth Index. The composite was created in June 2009.

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.

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