

Market Environment

Emerging market small-cap equity was one of the best performing asset classes in the second quarter of 2024. For the full quarter, the MSCI Emerging Markets Small Cap Index® rose 5.9%. As is typical, there was wide dispersion among country returns. India rose 19.5% and was the best performing country. Indian small-cap equities have seen strong inflows from foreign investors and improving corporate earnings. Thinly traded Hungary returned 17.3% as a monetary easing cycle that began at the end of 2023 has supported small-cap equities. South Africa rose 14.9% as voters unhappy over failed economic and social policies left the ruling African National Congress without a majority for the first time in 30 years. Malaysian small-caps returned 11.1% after first quarter GDP exceeded expectations, driven by consumer spending and a significant rebound in exports. Mexico fell 18.4% and was the worst performing country. The landslide victory for Claudia Sheinbaum increased fears of constitutional reforms and increased government control over critical sectors. Brazil fell 17.2% as the government has indicated that it will not cut spending to alleviate fiscal concerns. Indonesian small-cap equities declined 8.8% as a surprise rate hike in April is expected to cool domestic demand.

Sector returns were mostly positive, with ten of the eleven economic sectors ending in positive territory. The Industrials sector returned 11.3% and was the top performing sector. Energy declined 0.4% as several Brazilian Oil, Gas & Consumable Fuels companies fell over 20%.

Portfolio Review

Overall security selection was positive and accounted for all of the strategy's outperformance. A slight overweight to Latin America detracted from relative performance. The strategy's exposure to our proprietary multi-factor model was a positive contributor to relative performance, with business momentum and quality particularly strong. Excess returns were generated in all three regions and six of the eleven sectors. Notable outperformance came from Industrials, Utilities and Energy. Within Industrials, Indian civil engineering and construction firm H.G. Infra Engineering moved higher as the company raised future order expectations for highway, rail, solar and water projects. Another strong performer was HD Hyundai Electric. The South Korean electric power equipment manufacturer rose as earnings continue to benefit from high global demand from electric grid infrastructure investment. Within Energy and Utilities, India-based water utility VA Tech Wabag, electric utility CESC, and liquid fuels company Aegis Logistics were all strong performers. Each is highly exposed to the growth in Indian consumption and the associated increased demand for energy and utilities.

On the downside, relative performance in Consumer Discretionary and Information Technology trailed the index. Within Consumer Discretionary, Brazilian manufacturer of bus and coach bodies Marcopolo declined alongside general weakness in the economic outlook. Taiwanese auto repair parts manufacturer Tong Yang pared back some year-to-date gains on expectations of lower seasonal sales. Indonesian department store operator PT Mitra Adiperkasa

sold off as revenue growth slowed below the full-year target rates. Taiwan computer peripheral manufacturer Chicony Electronic's declined after a strong start to the year as second-quarter revenue growth guidance was lowered slightly while margins are expected to be higher.

Market Outlook

Bouts of volatility in Emerging Market equities are anticipated in the second half of 2024 as the U.S. presidential election is expected to be tumultuous with fiery rhetoric from both sides. "America First" policies (such as higher tariffs) could dampen sentiment in the near term. Latin American countries such as Brazil and Mexico would benefit most from more accommodative U.S. policy, and a rate cut later this year and more in 2025 should boost performance for the region. The strong ascent of AI-related stocks should continue, although we remain attentive to signs of a reversal following the rapid increase over the last year. India small-cap equities should continue to benefit from consumption, urbanization, and reforms to eliminate unnecessary government regulations and bureaucracy. Chinese private sector investment in advanced technologies and clean energy should provide support for the government's initiative to transform the economy from high-speed growth to high-quality growth. Emerging Market equities continue to trade at a discount to developed markets despite solid prospects for growth. We continue to be guided by our bottom-up analysis and will digest upcoming earnings and outlook statements to evaluate our positioning. We believe opportunities for relative outperformance remain, particularly among the diverse and broad segment of emerging market small-cap equities.

Representative Account Top 5 Contributors* (%)	Contribution to Relative Return
HD Hyundai Electric	0.85
H.G. Infra Engineering Ltd.	0.84
VA Tech Wabag Limited	0.55
Aegis Logistics Limited	0.50
Coca-Cola Icecek A.S.	0.49

Representative Account Top 5 Detractors* (%)	Contribution to Relative Return
Marcopolo SA Pfd	-0.29
Tong Yang Industry Co., Ltd.	-0.22
Chicony Power Technology Co., Ltd.	-0.22
GCC SAB de CV	-0.20
PT Mitra Adiperkasa Tbk	-0.20

Source: FactSet.

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. Holdings are as of quarter end and may change at any time. This material should not be construed as a recommendation to buy or sell securities.

Composite Performance (%)	ANNUALIZED RETURNS						Since Inception 7.1.13
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	
Trivalent Emerging Markets Small-Capitalization Equity (Gross)	6.05	11.82	29.57	9.44	15.85	10.34	10.88
Trivalent Emerging Markets Small-Capitalization Equity (Net)	5.79	11.26	28.28	8.35	14.70	9.20	9.73
MSCI Emerging Markets Small Cap Index (Net)	5.93	7.04	20.04	2.54	9.99	5.15	5.94

DISCLOSURES

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.

Past performance cannot guarantee future results. Returns for periods greater than one year are annualized. Returns are expressed in U.S. dollars. Composite and benchmark returns are presented 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 are calculated by deducting 1/12 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.

The Trivalent Emerging Markets Small-Capitalization Equity Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent Emerging Markets Small-Capitalization Equity strategy. The strategy focuses on foreign small-cap companies that are characterized by improving business momentum and attractive valuations. The composite creation date is August 2013. The benchmark of the composite is the MSCI Emerging Markets Small Cap Index (Net). Prior to 10/1/2017, the benchmark is the S&P® Emerging Plus Small Cap Index (Net). The MSCI Emerging Markets Small Cap Index is a free-float-adjusted, market-capitalization-weighted index designed to measure the performance of small-cap stocks in the emerging markets. 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. One cannot invest directly in an index. Non-US indices are net of non-reclaimable withholding taxes, if any.

Holdings do not include cash, money market instruments, options or futures.

The representative account serves as the model against which each Trivalent Emerging Markets Small-Capitalization Equity Strategy account is managed. The representative account is an actual portfolio and the information provided, including performance, will vary for other accounts. The representative account is being used solely as a tool to help demonstrate how performance can be

Representative Account Top 10 Holdings	Country	Sector
HD Hyundai Electric	Korea	Industrials
NCC Limited	India	Industrials
King Yuan Electronics Co., Ltd.	Taiwan	Information Technology
Hanwha Aerospace Co., Ltd.	Korea	Industrials
Coca-Cola Icecek A.S.	Turkey	Consumer Staples
Tong Yang Industry Co., Ltd.	Taiwan	Consumer Discretionary
Kalyan Jewellers India Ltd.	India	Consumer Discretionary
Taiwan Hon Chuan Enterprise Co., Ltd.	Taiwan	Materials
Voltamp Transformers Limited	India	Industrials
Nippon Life India Asset Management Ltd.	India	Financials
Total % of Portfolio		14.01%

attributed to the investment policies applied in the management of the Trivalent Emerging Markets Small-Capitalization Equity Strategy.

The information in this article is based on data obtained from recognized services and sources and is believed to be reliable. Any opinions, projections, or recommendations in this report are subject to change without notice and are not intended as individual investment advice. 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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Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®).

*Contributors and Detractors Source: FactSet. The top contributors and detractors are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. Holdings are as of quarter end and may change at any time.

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