

Market Commentary

U.S. equities finished the fourth quarter well into positive territory, trimming the extent of their losses for the full year. The market's gains were achieved in October and November, when signs that inflation had peaked alongside less hawkish commentary from U.S. Federal Reserve Chairman Jerome Powell raised hopes that the central bank would end its interest rate hiking cycle in early 2023. Indeed, the Fed raised its benchmark overnight lending rate by a more modest 50 basis points at its mid-December meeting, leaving the federal funds rate target range at 4.25% to 4.50%. Also supporting sentiment, the Chinese government began to ease the zero-COVID policy that had weighed on global economic growth for much of 2022. However, stocks retreated into year-end as investors focused on the impact of higher rates on economic growth and corporate earnings in the coming year.

Fund Performance and Positioning

The USAA 500 Index Fund posted a positive total return for the quarter while slightly underperforming the Victory US Large Cap 500 Index return of 6.98%.

The health care, financials and industrials sectors contributed the most to the Index's positive performance for the quarter. The consumer discretionary sector weighed the most on Index performance, posting a double-digit loss for the quarter.

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. Read it carefully before investing.

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

The opinions are as of the date noted 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.

Discussion based on the Member share class. Other classes are available and may have different performance characteristics. Holdings, if any, are subject to change without notice and should not be considered purchase recommendations.

Victory Capital Management does not give financial, tax or legal advice, and nothing contained herein should be construed as such advice.

The Victory US Large Cap 500 Index, designed by Victory Capital Management Inc., measures the performance of the 500 largest companies by market capitalization in the Wilshire 5000 Total Market IndexSM (Wilshire 5000SM).

An index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with the active management of an actual portfolio.

Victory Capital means Victory Capital Management Inc., the investment adviser of the Victory Capital mutual funds and USAA Mutual Funds. Victory Capital mutual funds and USAA Mutual Funds are distributed by Victory Capital Services, Inc. (VCS), member FINRA, an affiliate of Victory Capital. Victory Capital and its affiliates are not affiliated with United Services Automobile Association or its affiliates. USAA and the USAA logos are registered trademarks and the USAA Mutual Funds and USAA Investments logos are trademarks of United Services Automobile Association and are being used by Victory Capital and its affiliates under license.

©2023 Victory Capital Management Inc.

V19.050 // 4Q 2022 USAA 500 Index Fund COM