USAA AGGRESSIVE GROWTH FUND
QUARTERLY COMMENTARY

MUTUAL FUNDS

As of December 31, 2022

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. In keeping with most of 2022, value stocks strongly outperformed their growth counterparts, largely due to continued weakness in mega-cap technology stocks.

Large-cap growth stocks returned 2.20% for the quarter as gauged by the Russell 1000® Growth Index, underperforming their large-cap value counterparts as reflected in the 12.42% return for the Russell 1000® Value Index. Within the Russell 1000® Growth Index, contributions to return were led by the health care, information technology and industrials sectors. The consumer discretionary sector weighed most heavily on Index return, posting a double-digit loss.

Fund Performance and Positioning

The USAA Aggressive Growth Fund posted a positive return while underperforming its benchmark, the Russell 1000® Growth Index.

Stock selection had an essentially neutral impact on the Fund's performance relative to the benchmark for the quarter. Sector allocation detracted, most notably an overweight to consumer discretionary.

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. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments concentrated in an industry or group of industries may face more risks and exhibit higher volatility than investments that are more broadly diversified over industries or sectors. Information technology companies are particularly vulnerable to rapid changes in technological product cycles, severe competition and government regulation. 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.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Discussion based on the Fund 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.

The Russell 1000® Value Index is a market-capitalization-weighted index that measures the performance of Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Growth Index is a market-capitalization-weighted index that measures the performance of Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. 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.

V19.131 // 4Q 2023 USAA Aggressive Growth Fund COM

20230217-2710069