

## Investment Philosophy

The Victory Munder Mid-Cap Core Growth Fund invests in mid-cap stocks that we believe have strong growth prospects and reasonable valuations. We believe this combination of fundamental strength and attractive valuation positions the Fund for strong competitive performance. These characteristics have historically contributed to the Fund's successful long-term record, and we are confident they should continue to serve our investors well.

## Market Overview

The Victory Munder Mid-Cap Core Growth Fund (the "Fund") A-Shares (*without sales charge*) underperformed its Russell Midcap<sup>®</sup> Index benchmark by 104 basis points\* (bps) in the fourth quarter. Within the Russell Midcap<sup>®</sup> Index benchmark, the Russell Midcap<sup>®</sup> Growth Index outperformed the Russell Midcap<sup>®</sup> Value Index, continuing a trend for most of the year. Also, many speculative stocks that are more leveraged to falling rates outperformed. We are underexposed to those names. Lagging relative performance was generated entirely from stock selection, as sector allocation was positive. On a sector basis, stock selection was strongest in the Technology, Consumer Staples, and Materials sectors. The Fund's largest overweights on a sector basis were in the Technology and Consumer Discretionary sectors, while the largest underweights were in the Financials and Materials sectors.

In the Technology sector, the strongest contributors were CrowdStrike Holdings and Monolithic Power Systems. CrowdStrike's cybersecurity platform continues to gain share with small- and medium-sized businesses after it established its leading position with larger enterprise customers. Monolithic Power's semiconductor power management systems continue gaining share in their respective markets, namely in cloud AI, 5G, and automotive.

Within the Consumer Staples sector, our best contributor was Freshpet. The company reported a top- and bottom-line beat in the third quarter. Its fresh pet food volumes and household penetration continue to accelerate, even amid a weak pet category backdrop.

In the Materials sector, our best contributor was Louisiana-Pacific. The company's third quarter results beat expectations, and management indicated that siding channel inventories had normalized. Housing names generally performed well in the fourth quarter as mortgage rates declined and the Fed pivoted toward rate cuts next year.

The worst stock selection came in the Financials and Industrials sectors.

In the Financials sector, our worst detractor was Kinsale Capital Group. After being one of our best performers in recent years, the company reported third quarter sales growth that missed elevated expectations. Excess and surplus insurance industry fundamentals remain strong, and Kinsale continues to lead peers in premium growth and underwriting performance.

Within the Industrials sector, our worst detractor was Chart Industries. After strong performance through the first nine months of 2023, Chart reported disappointing third quarter revenues as some sales were pushed out into the fourth quarter. They also cut full-year 2023 EBITDA guidance on some non-recurring special items.

At quarter-end, the Fund continues to be overweight in the Technology and Consumer Discretionary sectors as well as underweight in the Financials and Materials sectors. Its market capitalization is higher than the benchmark on a weighted-average basis. The Fund continues to have positive exposures to growth, momentum, and profitability.

\*A basis point is 1/100 of a percent.

Top 5 Contributors (%)	Contribution to Absolute Return
CrowdStrike Holdings, Inc. Class A	0.74
D.R. Horton, Inc.	0.73
Monolithic Power Systems, Inc.	0.69
Trex Company, Inc.	0.64
Fair Isaac Corporation	0.61
Top 5 Detractors (%)	Contribution to Absolute Return
Kinsale Capital Group, Inc.	-0.61
Align Technology, Inc.	-0.59
Chart Industries, Inc.	-0.59
Fox Factory Holding Corp.	-0.50
TransUnion	-0.46

Top Ten Holdings	% Fund
Trane Technologies plc	2.37
Trex Company, Inc.	2.14
Monolithic Power Systems, Inc.	2.10
Live Nation Entertainment, Inc.	2.09
D.R. Horton, Inc.	2.05
Brown & Brown, Inc.	1.96
Zoetis, Inc. Class A	1.95
Fair Isaac Corporation	1.91
NVR, Inc.	1.91
DexCom, Inc.	1.85

### Investment Performance (%)

Average Annual Returns as of December 31, 2023

Victory Munder Mid-Cap Core Growth Fund (Class A – MGOAX)	Q4 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (7/1/00)	Expense Ratio	
								Gross	Net
A Shares, without sales charge	11.78	14.28	14.28	4.19	11.30	7.45	8.21	1.28	1.28
A Shares, with sales charge (max. 5.75%)	5.36	7.69	7.69	2.15	9.99	6.81	7.94	1.28	1.28
Russell Midcap® Index	12.82	17.23	17.23	5.92	12.68	9.42	–	–	–
Russell Midcap® Growth Index	14.55	25.87	25.87	1.31	13.81	10.57	–	–	–

Source: Victory Capital data analyzed through Zephyr

**Past performance does not guarantee future results. The performance quoted represents past performance and current performance may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, visit [www.vcm.com](http://www.vcm.com).** Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year is annualized. Other share classes are available. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which, fund performance would have been lower. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2024.

**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](http://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, investments in mid-cap companies typically exhibit higher volatility. 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. Investments concentrated in a single country, a small number of countries or a specific region typically exhibit higher volatility. 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. Investments in companies in the industrials sector may be adversely affected by changes in supply and demand for products and services, governmental regulation and changes spending policies, world events and economic conditions. 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. Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. Top holdings do not reflect cash, money market instruments or options/futures contracts holdings. The most currently available data regarding portfolio holdings can be found on our website, [www.vcm.com](http://www.vcm.com).

**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. The percent displayed is contribution to return. Holdings are as of quarter end and may change at any time.

**The Russell Midcap® Index** is a market-capitalization-weighted index that measures the performance of the 800 smallest U.S. stocks in the Russell 1000® Index. **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.

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