



A VICTORY CAPITAL® INVESTMENT FRANCHISE

VICTORY SYCAMORE ESTABLISHED VALUE FUND QUARTERLY COMMENTARY

As of March 31, 2025

EXECUTIVE SUMMARY

Sycamore Capital's Mid Cap Value investment team employs a disciplined, bottom-up, fundamental process to invest in what we believe are better businesses that trade at a discount to the team's estimate of intrinsic value and possess fundamental drivers that may narrow the valuation gap. By investing in businesses that exhibit these attributes, we seek to minimize downside risk without sacrificing the upside potential.

- The Victory Sycamore Established Value Fund (A Shares without sales charge) modestly underperformed the Russell Midcap® Value Index on a net-of-fees basis during the first quarter of 2025.
- During the quarter, sector allocation was the primary driver of relative underperformance, while stock selection partially offset the unfavorable impact of sector weighting. Sector weighting is a by-product of the bottom-up stock selection process and not a result of top-down tactical decisions.

UNCERTAINTY WAS UBIQUITOUS

Frantic policy out of DC sent shockwaves throughout the global financial markets during the first quarter. In the U.S., there was nowhere to hide as declines were broad based across different size and style segments. Most notably, the S&P 500® Index posted its worst decline (-4.27%) since the third quarter of 2022, when the broad market benchmark posted a return of -4.88%. The tech-centric Nasdaq Composite was down even more, posting a steep decline of -10.26%, making it the worst quarterly performance since the second quarter of 2022, when the index returned -16.19%. Small-cap equities remained in the penalty box, with the Russell 2000® Index (-9.48%) joining the Nasdaq Composite at the back of the pack. The often-overlooked mid-caps held up the best, with the Russell Midcap® Index returning -3.40%. As fears of the end of American economic "exceptionalism" intensified, global equity markets got a lift. The MSCI EAFE Index (net) finished the quarter in positive territory, +6.86%, well ahead of U.S. indices.

Entering the year, the perception was that a market-friendly administration would unleash "animal spirits" and allow the impressive equity market gains of the past two years to continue. However, the news flow during the quarter was dynamic and relentless. The speed with which the Trump 2.0 administration has attempted to reduce government, coupled with on-again, off-again tariff policies, whipsawed the equity market. Consequently, policy uncertainty spiked to levels last observed during the COVID-19 pandemic. In just several weeks, the market backdrop evolved from one underpinned by earnings and earnings visibility to one where fundamentals are currently being

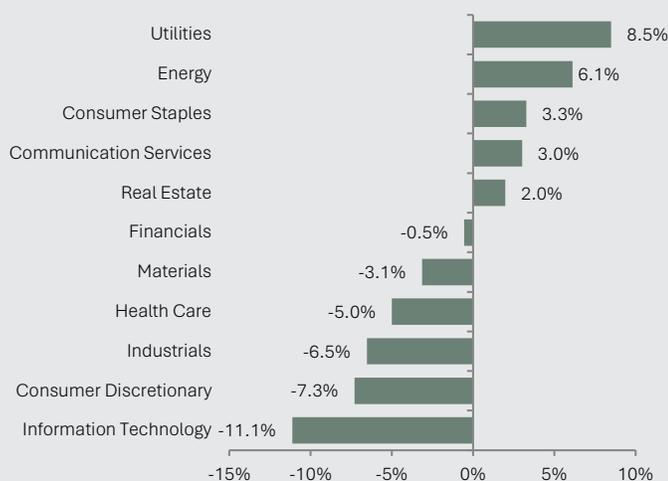
overwhelmed by macro developments. That's partly why the momentum streak that defined 2024 abruptly ended during the quarter—erasing several trillion dollars in market capitalization in a matter of weeks. Much of that was attributed to the "Magnificent 7" stocks, which saw \$2.3 trillion in market value erased during the quarter. Nevertheless, the unwind was historic and highlighted the risks associated with momentum investing strategies.

Shortly after quarter end, the Trump administration revealed the parameters around the new tariff regime on what it termed "Liberation Day." By all measures, the "reciprocal" tariffs (highest in over a century) were worse than most anticipated. The market's response indicated that the worst-case scenario was not priced in—leading to indiscriminate selling.

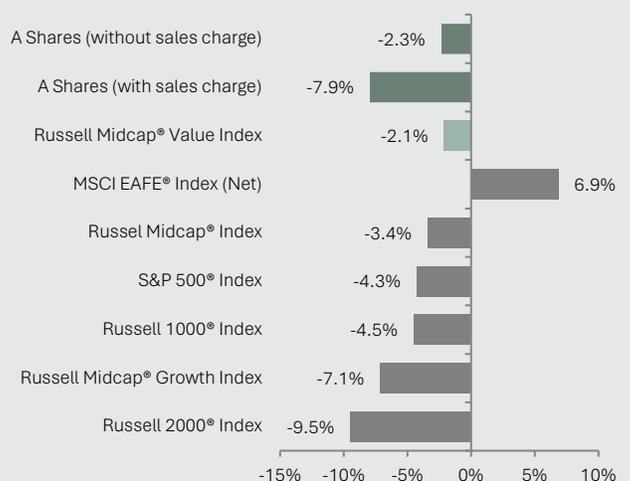
Not only do these policies put the Federal Reserve between a rock and a hard place, but they also create headaches for companies as they try to navigate perpetual uncertainties. The evolving economic narrative opens the possibility for the Fed to fall behind the curve. With inflation expectations becoming de-anchored to the upside, the Fed may hesitate to ease monetary policy to offset the probable drag on growth from tariffs and a crisis in confidence. The economy is now staring stagflation straight in the eyes. This would be a toxic scenario for the Fed to manage, and the probability of policy error has increased.

So far, the Trump administration has demonstrated that it is committed to the "short-term pain, long-term gain" principle. It is not exactly clear at this point what will cause the administration to unhinge itself from this framework.

Russell Midcap® Value Index Sector Returns – 1Q 2025



Fund and Market Performance – 1Q 2025



Past performance does not guarantee future results. See the final page for standardized performance. Source: Zephyr & FactSet.

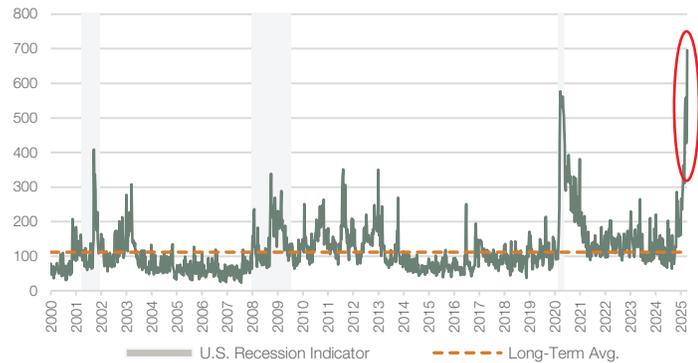
Performance Attribution Relative to the Russell Midcap® Value Index – 1Q 2025

Positive Contributors	Negative Contributors
Stock Selection in Financials	Stock Selection in Information Technology
Stock Selection in Industrials	Underweight in Utilities; <i>mostly offset by stock selection</i>
Stock Selection in Materials	No Exposure to Communication Services
Stock Selection in Energy	

Source: FactSet.

Clearly, the threshold for market pain under Trump 2.0 is much greater than it was under Trump 1.0. Investors should brace for an endless flurry of news flow that is likely to keep day-to-day asset volatility at an uncomfortable level (Illustration 1). At the same time, market participants should also acknowledge that when fear grips the market, dislocation in asset prices creates opportunities for investors with a multi-year time horizon. In the meantime, the best advice for investors is to buckle up; recalibrating a system that’s been in place for 80 years will be disruptive.

Illustration 1: U.S. Economic Policy Uncertainty Index Through Time



Source: Federal Reserve Economic Data (FRED). As of April 11, 2025. Long-term average is from January 1, 1985. Data compiled and analyzed by Sycamore Capital.

PERFORMANCE BY SIZE AND STYLE

Mid-cap equities outpaced both large- and small-cap equities during the first quarter of 2025. Mid-cap equities, as measured by the Russell Midcap® Index, returned -3.40% during the quarter. Large-cap equities, as measured by the S&P 500® Index and the Russell 1000® Index, returned -4.27% and -4.49%, respectively, while small-cap stocks, as measured by the Russell 2000® Index, returned -9.48%. Broken down by style, value outpaced growth within each of the three major size segments. Specifically, for mid-caps, the Russell Midcap® Value Index returned -2.11%, outpacing its growth counterpart, which returned -7.12%.

PORTFOLIO ATTRIBUTION – FIRST QUARTER

The Victory Sycamore Established Value Fund (A Shares without sales charge) modestly underperformed the Russell Midcap® Value Index (the “Index”) on a net-of-fees basis in the first quarter of 2025.

During the quarter, sector allocation was the primary driver of relative underperformance, while stock selection partially offset the unfavorable impact of sector weighting. Index returns were negative across six of the 11 major economic sectors, with only six sectors outpacing the broader Russell Midcap® Value Index. The risk-off backdrop resulted in the outperformance of defensive pockets of the market, while more cyclical leaning ones were punished. Consequently, Utilities was the top-performing sector, returning 8.50%. By contrast, Information Technology was the worst-performing sector for the quarter, posting a return of -11.13%.

Specifically, for the portfolio, stock selection in Information Technology

was the largest detractor from relative performance for the quarter. An underweight in Utilities (the top-performing sector) and a lack of exposure to Communication Services also detracted from relative return. However, stock selection in Utilities mostly offset the negative impact from the underweight. Conversely, stock selection in Financials, Industrials, Materials and Energy contributed to relative performance.

TOP CONTRIBUTORS – FIRST QUARTER

The macroeconomic backdrop influenced the composition of the top contributors and detractors for the quarter. The risk-off sentiment led to rotations away from traditionally cyclical pockets of the market into defensive ones. Sectors and industries that were in the crosshairs of tariffs were adversely impacted, while more domestically focused groups held up the best. Therefore, some of the price action was not fundamentally driven. Given that macro overwhelmed the narrative, the commentary will be brief.

Franco-Nevada Corp. (FNV), **BJ’s Wholesale Club Holdings, Inc. (BJ)** and **American Water Works Company, Inc. (AWK)** all benefited from the rotation into defensive pockets of the market. FNV, a commodities-focused royalty streaming company, benefited from the rise in gold prices. BJ benefited from the perceived safety of Consumer Staples stocks. AWK traded in sympathy with Water Utilities (+16.7%), given the risk-off sentiment. **Genpact Ltd. (G)**, a business process outsourcing company (BPO), was also a top contributor. The company reported 4Q24 results that were ahead of expectations. Genpact is benefiting from ongoing demand for AI-related projects. Management has good visibility into future growth, which is beneficial in a cloudy macroeconomic backdrop. **Fidelity National Financial, Inc. (FNF)**, the largest title insurance company, rounded out the list of top contributors for the quarter. The company’s execution and cost management, despite softness in the housing market, helped deliver solid results. The company’s strong balance sheet and attractive dividend yield also benefited the company in a choppy macroeconomic backdrop.

TOP DETRACTORS – FIRST QUARTER

Trade policy and concerns over the health of the economy impacted all of the top detractors for the quarter. **Globant SA (GLOB)**, a global consultancy company, was hit particularly hard given concerns around a global recession. GLOB’s projects are discretionary and consumer-facing in nature. **ON Semiconductor Corp. (ON)** sold off in sympathy with the group (-24.5%), as it has been under cyclical pressure awaiting an inflection in fundamentals which have been delayed. ON shares were also weak after the company announced its plan to acquire Allegro MicroSystems, Inc. (ALGM) in March. Shares of **Zebra Technologies Corp. (ZBRA)**, a leader in RFID and asset intelligence capabilities, sold off as concerns over trade and general consumer trends weighed on sentiment. Management telegraphed that they have little visibility into future demand given the uncertain macroeconomic backdrop. Shares of **Regal Rexnord Corp. (RRX)**, an industrial company specializing in power solutions and motion control, sold off given concerns surrounding the impact from tariffs. The company has an outsized exposure to Mexico. Trucking company **Knight-Swift Transportation Holdings, Inc. (KNX)** also traded in sympathy with the Ground Transportation group (-13.5%),

as it has been under pressure given concerns surrounding the health of the economy. The industry is highly correlated to GDP growth and consumer spending. Additionally, the industry is still oversupplied, which is adversely impacting trucking spot rates. Given the rapidly changing landscape, we are reevaluating the thesis for holdings.

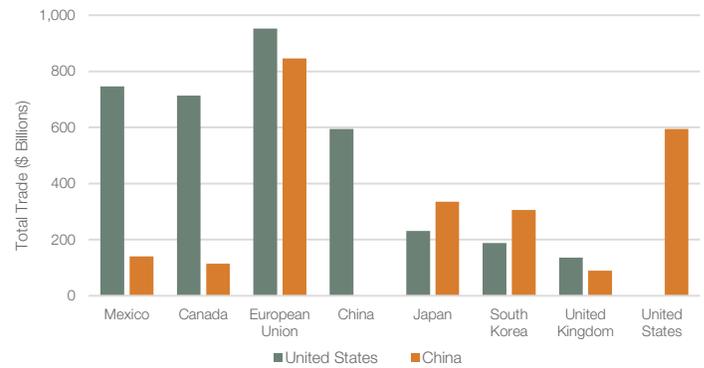
SHORT-TERM PAIN, LONG-TERM GAIN IS THE NAME OF THE GAME

The Trump administration has acknowledged that policies surrounding tariffs would cause some short-term pain, but would be beneficial over the long term. The challenge for investors during this predicament is that there is no “tariff playbook” to turn to. The market does not have any recent experience with navigating tariffs of this scale and scope. The Tariff Act of 1930 (aka the Smoot-Hawley Tariff Act) was the most recent example, and that did not turn out well for its congressional sponsors. Both Senator Reed Smoot and Representative Willis C. Hawley were booted out of office in 1932 in response to the damage inflicted by the tariffs. It was not until 1947 that the General Agreement on Tariffs and Trade (GATT) was implemented to reduce trade barriers and promote international trade. Clearly, there are numerous risks associated with tariffs, and the range of possible outcomes is endless.

First, these policies put the Fed in a pickle. After managing to achieve a rare “soft landing” since 2022, tariffs have the potential to derail the Fed’s accomplishment. One of the downside risks with tariffs is stagflation—higher prices and slower growth. Stagflation could cripple the Fed and leave it with few policy options to react with, raising the probability of a policy error. If long-term inflation expectations are not anchored to the Fed’s target, the Fed may be hesitant to cut and eventually fall behind the curve. Second, companies are in limbo as they try to navigate a turbulent and dynamic trade backdrop. Given what is likely going to be a rapidly changing environment, companies may hold off from making capital expenditure decisions until there is more clarity. Company management teams must grapple with the decision of whether to commit capital to align with the tariff objectives or wait it out in hopes of these policies being overturned in the future. This could result in job losses and a lackluster employment market. Larger multinational companies are better positioned to adapt by employing strategies such as FX hedging, redirecting products, diversifying supply chains or stockpiling inventory. Smaller companies that lack pricing power and the supply chain networks will be at a disadvantage. Third, with mounting uncertainty and a stock market rout unfolding, consumer sentiment has nosedived. Latest soft data (consumer sentiment surveys) show that sentiment has cracked. Given that the U.S. economy is consumer-centric, a pullback in consumer spending could push a slowing economy over the cliff. There is growing fear now that the hard economic data (e.g., labor market) will eventually converge with the soft data pushing the economy into a recession. Fourth, these policies could diminish the attraction of the U.S. dollar as a reserve asset. The dollar would be expected to strengthen in response to tariffs. The fact that it has done the opposite thus far is an important development worth monitoring. Finally, protectionist policies could result in the development of economic blocks and reignite global spheres of influence. Friends and foes alike would be eager to fill any voids created by U.S. retrenchment from the current international and political system. Clearly, the downside risks for this tariff regime are plentiful, and the response so far from financial markets reflects the disdain for such policies.

With the bombardment of recent press coverage overwhelmingly negative, it is difficult to see any silver lining amid the chaos. However, with the much-anticipated reveal behind us, the uncertainty surrounding the announcement itself has diminished. We believe that the tariff announcement was not a clearing event, which opens the possibility for bilateral negotiations. The fact that Canada and Mexico were omitted is one example. Therefore, this signals that the Trump administration is willing to find a resolution, even if it’s on a case-by-case basis. There’s been plenty of saber-rattling by the international community regarding potential retaliations. However, the U.S. makes up roughly 26% of world GDP (Illustration 2). Writing off the U.S. would be foolish, if not economic suicide for some economies. What we know thus far is that the tariff rates are not final. There is clearly some wiggle room for negotiations.

Illustration 2: Total Trade by Key Trading Partners in 2023 – U.S. vs. China



Source: Bloomberg. As of December 31, 2023. Data compiled and analyzed by Sycamore Capital.

There is also the potential for grace periods or pauses as these get ironed out. Therefore, investors should consider the possibility of the administration scoring some “wins” even if the tariffs themselves are uneven by country. Eventually, to ease market jitters, understanding of the end game is needed. Otherwise, market volatility is here to stay for a while.

SHIFTING TO SMALL- AND MID-CAP EQUITIES...

What’s Ailing Small-Caps?

As long-term small-cap value and mid-cap value managers, we have seldom witnessed a period where the sentiment on the asset classes has been so mixed. Clients have shared with us their frustrations with small-caps’ recent performance streak. Some clients are even ready to “throw in the towel.” We are equally frustrated. To best understand this sentiment, answering the question of “what’s ailing small?” may be beneficial. In our view, several factors are weighing on small-cap equities.

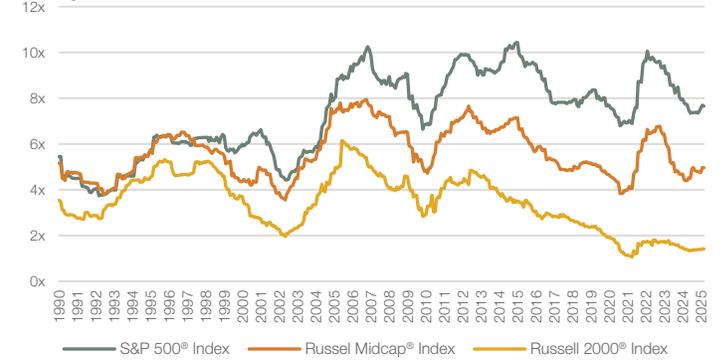
- **Multiple years of underperformance.** Since meaningfully outperforming large-cap equities from 1999 through 2010 (R2000 +117.3% vs. SPX +26.6%), small-cap equities have underperformed in 10 of the past 14 calendar years. Investors’ patience is waning!
- **Absence of a typical “boom/bust” cycle.** Small-cap equities generally outperform coming out of a recession in an early cycle environment. Aside from the pandemic-induced dip in 2020, the economy has not experienced a typical business cycle—setting small-caps up for outperformance.
- **Small-caps have a “perception” problem.** It’s no secret that the small-cap index has deteriorated in quality over time. Within the investment community, it is now widely acknowledged that over a third of the small-cap universe is comprised of loss-making stocks or “non-earners.”
- **Private markets have been a thorn.** Fewer companies are going public today than in the past. When they do, they tend to be larger and generally map to the mid-cap size segment. That’s partly due to the rise in private markets, which has altered the IPO market. Per the Bank of America strategy team, since 2000, approximately 90% of VC-backed companies have been acquired instead of going public.
- **Rates have not helped.** Higher-for-longer has punished small-cap stocks. Given that approximately 40% of small-cap equities have short-term or floating rate debt, they are susceptible to refinancing risks. Furthermore, smaller companies may not have the access to capital markets that larger companies have. Therefore, small-cap companies would benefit from relief on the interest rate front (Illustrations 3 & 4).
- **Tech dominance.** The Information Technology sector has been the engine for the S&P 500® Index’s performance over the past 10 years. For example, for the 10-year period ended December 31, 2024, Information Technology explained roughly 35% of the S&P 500® Index’s annualized return of 13.1%, compared to 25% of the small-cap Russell 2000® Index’s 7.8% annualized return (Illustration 5).
- **Weak ISM readings.** The ISM Manufacturing PMI has traditionally been a good indicator of small-cap performance. Generally, an ISM higher

Illustration 3: Correlation Between Interest Rates & Small-Cap vs. Large-Cap Relative Performance



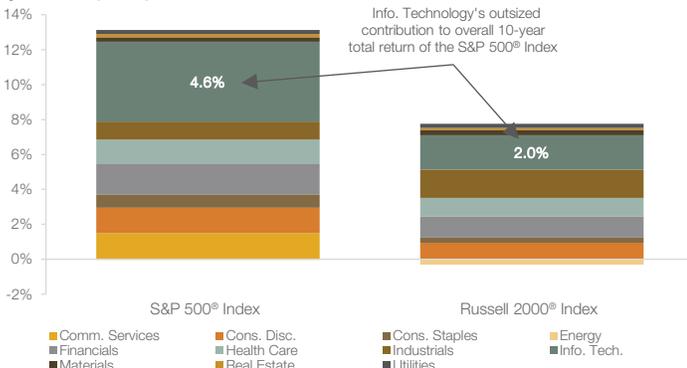
Source: FactSet & Morningstar Direct. As of March 31, 2025. Relative performance shown is the Russell 2000® Index vs. Russell 1000® Index. Correlation calculation is on a 2-year rolling basis. Data compiled and analyzed by Sycamore Capital.

Illustration 4: Interest Coverage of Major Indices by Size Segment Through Time



Source: FactSet. As of March 31, 2025. Interest coverage is a median calculation and excludes Financials. Data compiled and analyzed by Sycamore Capital.

Illustration 5: S&P 500® Index Annualized 10-Year Contribution to Return by Sector (2024)



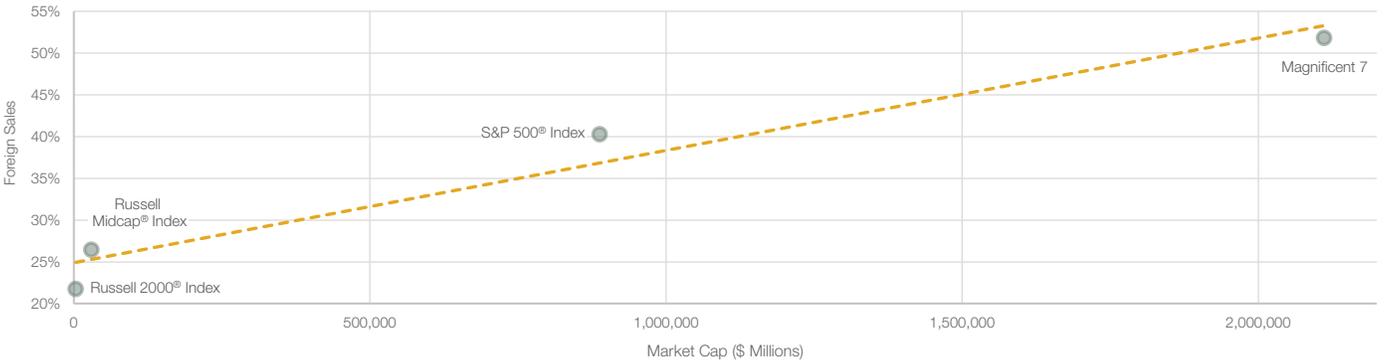
Source: FactSet. As of December 31, 2024. Contribution to return is an annualized 10-year calculation. Data compiled and analyzed by Sycamore Capital.

Illustration 6: ISM Manufacturing PMI and Small-Cap vs. Large-Cap Relative Performance



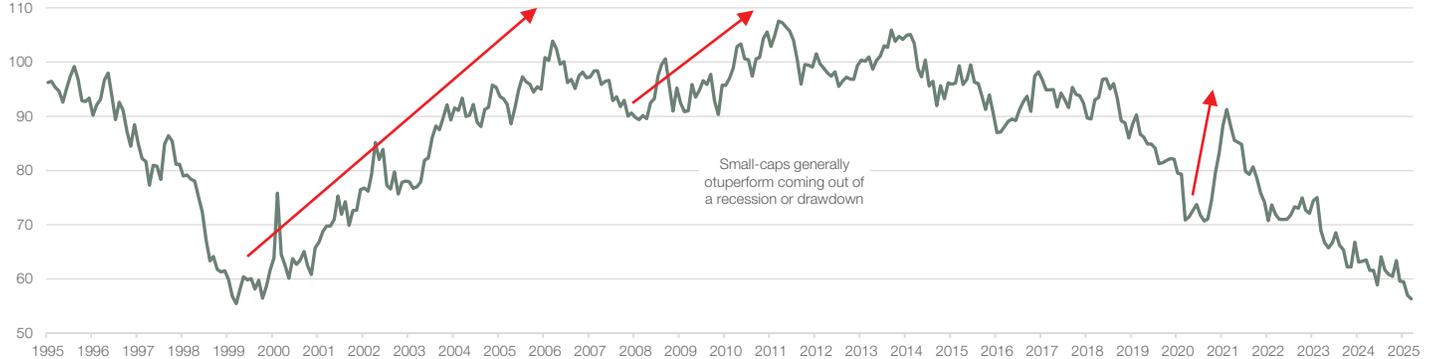
Source: FactSet & Morningstar Direct. As of March 31, 2025. Relative performance of the Russell 2000® Index vs. S&P 500® Index is a cumulative rolling 2-year calculation. Data compiled and analyzed by Sycamore Capital.

Illustration 7: Foreign Revenue Exposure vs. Market Cap of Major Indices and the Magnificent 7



Source: FactSet. As of March 31, 2025. Index calculations are weighted averages. Magnificent 7 calculations are simple averages. Data compiled and analyzed by Sycamore Capital.

Illustration 8: Relative Performance of the Russell 2000® Index vs. S&P 500® Index



Source: FactSet. As of March 31, 2025. Data compiled and analyzed by Sycamore Capital.

than 50 indicates an expansion in manufacturing, which has been positive for small-cap equities. Since mid-2022, we have not seen a sustained period where the ISM is above 50, and the manufacturing sector has effectively been in a recession (Illustration 6). That's partly why we believe small-cap equities have had repeated head fakes over the past couple of years.

- **Tariff fears.** While small-cap equities have less exposure to foreign revenue sources, they are likely to be the most adversely impacted in the short term under a new tariff regime given their thinner margin profile. As trade policy continues to unfold, small-caps could remain in the penalty box until there is more clarity on the tariff front.

Unloved and Under-Owned: Time for a Fresh Look

With both asset classes unloved and under-owned, we believe this is an opportune time for investors to revisit. We believe several factors position both asset classes well over the long term.

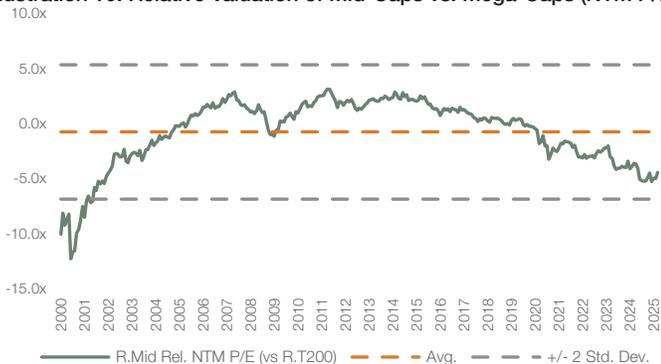
- **Peak globalization.** If global trade has truly reached the point of peak globalization, then smaller companies are well-positioned in the long term (Illustration 7). The reshoring/nearshoring theme could trigger a new capex cycle which would benefit companies that are more domestically focused. Retooling the global supply chain is costly and will take time; however, smaller companies could play a key role in this realignment.
- **A recession could give small-caps the boost they desperately need (Illustration 8).** If the economy enters into a recession, then the traditional playbook would suggest that small-cap equities are well-positioned for an early cycle environment. Given that recession odds have increased, a rally in small-cap equities is a possibility.
- **Valuation discrepancy makes small-cap and mid-cap equities compelling.** Both size segments remain under-owned while trading at notable discounts to their mega-cap peers (Illustrations 9 & 10). The last time the valuation disparity was this wide, small-caps went on to outperform large-caps for a decade (2001–2010). For investors with a multi-year time horizon, the opportunity down the market cap spectrum remains compelling.

Illustration 9: Relative Valuation of Small-Caps vs. Mega-Caps (NTM P/E)



Source: FactSet. As of March 31, 2025. Relative valuation calculations are for the Russell 2000[®] Index vs. Russell Top 200[®] Index and exclude non-earners. Data compiled and analyzed by Sycamore Capital.

Illustration 10: Relative Valuation of Mid-Caps vs. Mega-Caps (NTM P/E)



Source: FactSet. As of March 31, 2025. Relative valuation calculations are for the Russell Midcap[®] Index vs. Russell Top 200[®] Index and exclude non-earners. Data compiled and analyzed by Sycamore Capital.

- **The Information Technology sector is in the crosshairs of a prolonged tariff war.** A tit-for-tat trade dispute especially with China could put U.S. technology companies in the crosshairs. With technology becoming increasingly sensitive to intellectual property theft and industrial espionage, the sector could remain under the microscope over the intermediate term. This could have implications for the tech-centric large-cap universe while benefiting small- and mid-cap equities that are less exposed (Illustration 11).

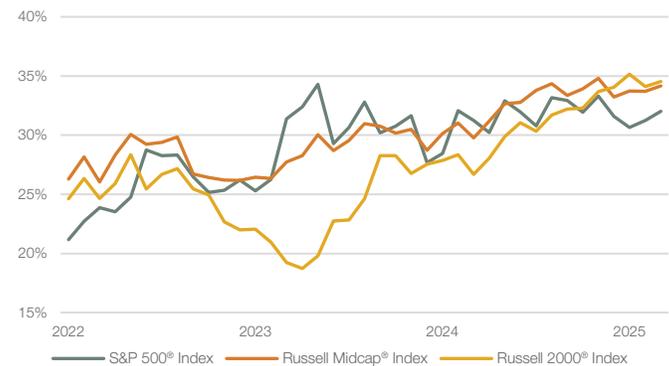
Illustration 11: Information Technology's Outsized Concentration in Large-Cap Equities

GICS Sector	Russell 1000 [®] Index	Russell Midcap [®] Index	Russell 2000 [®] Index
Communication Services	9.0%	3.6%	2.6%
Consumer Discretionary	10.4%	10.1%	9.1%
Consumer Staples	5.9%	5.1%	3.2%
Energy	3.7%	5.9%	5.1%
Financials	15.1%	16.9%	19.8%
Health Care	11.1%	9.3%	16.7%
Industrials	9.2%	16.5%	17.6%
Information Technology	28.2%	13.1%	12.3%
Materials	2.4%	5.3%	3.9%
Real Estate	2.6%	8.0%	6.4%
Utilities	2.4%	6.2%	3.2%

Source: FactSet. As of March 31, 2025. Data compiled and analyzed by Sycamore Capital.

- **Easier comps ahead.** Given that earnings among small-cap equities have bottomed, comps get easier while earnings for the large capex spenders are slowing (Illustration 12). This positions small-caps for upside surprises.

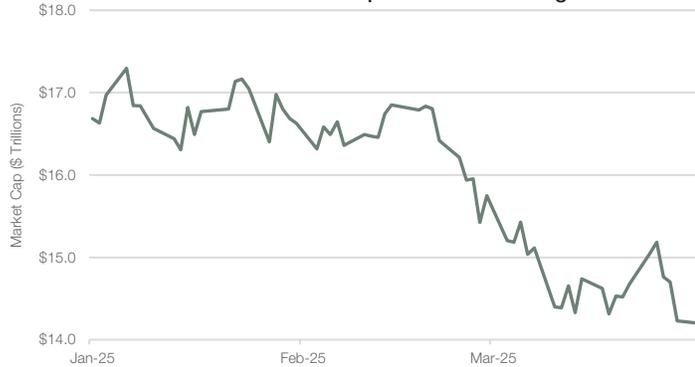
Illustration 12: Weighted Average NTM Forward Earnings Growth of Major Indices



Source: FactSet. As of March 31, 2025. Weighted average NTM forward earnings growth calculation excludes non-earners. Data compiled and analyzed by Sycamore Capital.

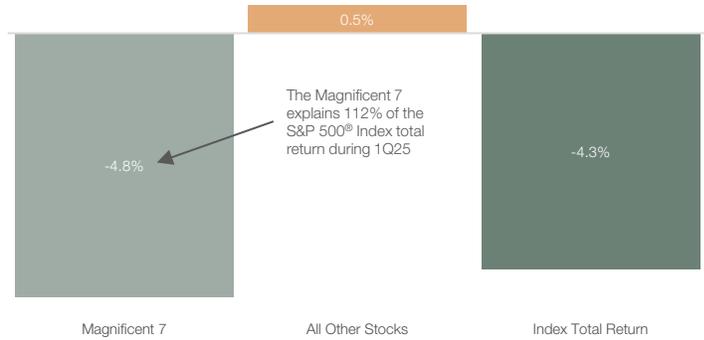
- **Awareness of market concentration risks (Illustrations 13–16).** One key takeaway from the first quarter is that momentum corrections can be rapid and sharp. The MAG-7 stocks erased roughly \$2.3 trillion in market value during the first three months of the year. In fact, the S&P 500[®] Index's decline was entirely explained by the performance of the MAG-7 stocks. The first quarter provided a concrete example of how concentrated the S&P 500[®] Index has become. With the AI trade splintering, small- and mid-cap equities could provide the diversification investors need to de-risk from mega-cap stocks.
- **Private equity returns are compressing.** One of the headwinds for small-caps over the past decade is the proliferation of private investments. Investors were drawn to the scarcity value and attractive returns of the asset class. However, private equity returns are not what they used to be. According to a McKinsey & Company report, private equity industry-wide internal rate of return (IRR) for the nine months ending September 30, 2024, decreased to roughly 3.8% from 5.7% in 2023, well below the historical average of roughly 14.5% since 2010. If private equity returns do not migrate back to their long-term average and exits remain backlogged, small- and mid-cap public equities offer an alternative for investors and asset allocators. [Source: Alexander Edlich,

Illustration 13: Year-to-Date Market Cap Erosion of the Magnificent 7



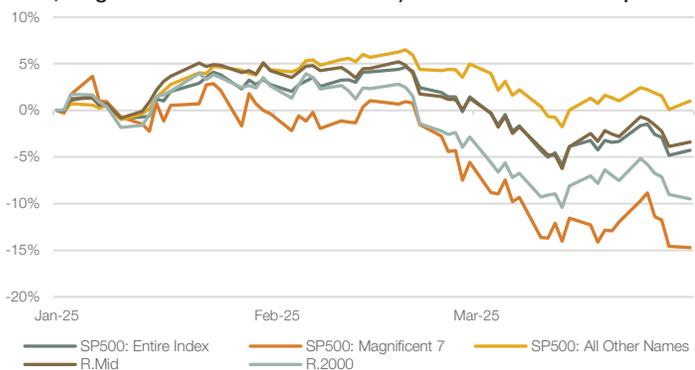
Source: FactSet. As of March 31, 2025. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA. Data compiled and analyzed by Sycamore Capital.

Illustration 14: S&P 500® Index First Quarter Performance Drivers



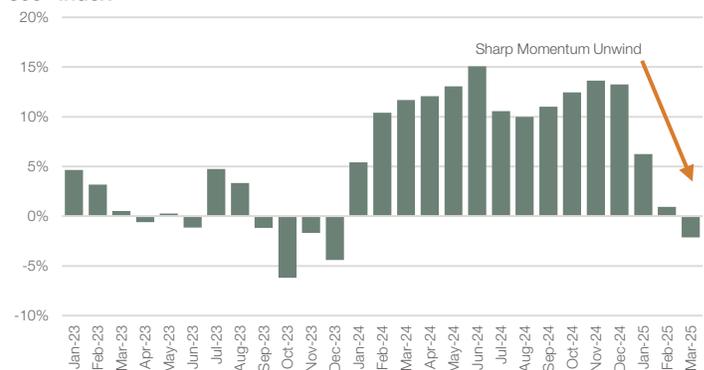
Source: FactSet. As of March 31, 2025. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA. Data compiled and analyzed by Sycamore Capital.

Illustration 15: Year-to-Date Performance of the S&P 500® Index (Total Index, Magnificent 7 and All Other Names) vs. Small- and Mid-Caps



Source: FactSet. As of March 31, 2025. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA. Data compiled and analyzed by Sycamore Capital.

Illustration 16: Rolling 12-Month Relative Momentum Returns in the S&P 500® Index



Source: FactSet. As of March 31, 2025. Momentum is calculated using a 9-month lookback and represents quintile 1 minus the S&P 500® Index. Data compiled and analyzed by Sycamore Capital.

Christopher Croke, Fredrik Dahlqvist, and Warren Teichner, *Global Private Markets Report 2025: Private Equity Emerging From the Fog*, McKinsey & Company, February 13, 2025, <https://www.mckinsey.com/industries/private-capital/our-insights/global-private-markets-report>

- **A little help from the Fed.** Rate relief in the form of rate cuts should benefit small-cap stocks for reasons stated above.

In our view, there are compelling reasons why small- and mid-cap equities deserve a fresh look. With that said, the backdrop has dramatically changed over the past several weeks, which puts U.S. equities in a precarious position. We believe mid-cap equities are better positioned to navigate the tumultuous environment given their size and general financial health. Nevertheless, for investors with a multi-year time horizon, the current opportunity down the market cap spectrum is attractive. However, investors should be willing to stomach elevated volatility. For investors with a shorter time horizon, better opportunities may exist elsewhere.

CONCLUDING REMARKS

The Trump administration has taken a high-stakes “short-term pain, long-term gain” approach to retooling the global system. The undoing of the global trade arrangement that has been in the making for 80 years is a messy business. It will take years, not days or months, to reconfigure. The sharp sell-off in equities quickly signaled the market’s disapproval of the tariff policies. Some have said that the threshold for market pain under Trump 2.0 is much higher than it was under the president’s first administration. While that may be true, we suspect that the administration cannot ignore feedback from the market indefinitely, especially if Main Street starts to feel the impact. However, investors should acknowledge that President Trump’s political calculus is also different this time, so the tolerance for pain may in fact be greater. Exacerbating the situation is the absence of a “tariff playbook.”

In other words, investors do not have experience with tariffs of this size and scope. While it is difficult to look past the turmoil, the silver lining is that we’ve likely reached peak uncertainty. Markets have a propensity to overshoot; therefore, we could be nearing a peak “capitulation” point as well. Nevertheless, until there is clarity of what the ultimate end game looks like, investors should be prepared for things to get worse before they get better. But when a situation gets to a boiling point, that’s generally when “cooler heads prevail”... at least let’s hope so. Importantly, the U.S. economy, along with so many U.S. companies, has proven the ability to adapt and thrive amidst previous crises.

Given that we’ve heard that “the market hates uncertainty” over and over again, we thought it befitting to end on a couple definitions from Jason Zweig’s *The Devil’s Financial Dictionary*:

UNCERTAINTY, n. The most fundamental fact about human life and economic activity. In the real world, uncertainty is ubiquitous; on Wall Street, it is nonexistent.

CERTAINTY, n. An imaginary state of clarity and predictability in economic and geopolitical affairs that all investors say is indispensable—even though it doesn’t exist, never has and never will.

The most fundamental attribute of financial markets is uncertainty. Just when you think you know what is sure to happen, the financial markets are about to prove that you are wrong.

Whenever turmoil or turbulence become obvious, pundits proclaim that “investors hate uncertainty.” But UNCERTAINTY is the only condition investors ever have faced, or ever will, from the moment barley and sesame first began trading in ancient Mesopotamia to the last trade that will ever take place on planet Earth.

On behalf of the Sycamore Capital team, we thank our clients for their long-term partnership and support. We are grateful for the trust you have placed in our Team to manage your assets.

Top Contributors (%)

Franco-Nevada Corp.	0.5
BJ's Wholesale Club Holdings, Inc.	0.4
American Water Works Company, Inc.	0.3
Genpact Ltd.	0.3
Fidelity National Financial, Inc.	0.3

Top Detractors (%)

Globant SA	-0.6
ON Semiconductor Corp.	-0.4
Zebra Technologies Corp.	-0.3
Regal Rexnord Corp.	-0.3
Knight-Swift Transportation Holdings, Inc.	-0.3

Source: FactSet.

Top Holdings (%)

Alliant Energy Corp.	2.7
US Foods Holding Corp.	2.3
Hartford Insurance Group, Inc.	2.2
Quest Diagnostics, Inc.	2.1
Genpact Ltd.	2.0
Willis Towers Watson PLC	2.0
Fidelity National Financial, Inc.	2.0
Crown Holdings, Inc.	2.0
American Water Works Company, Inc.	1.9
Expedia Group, Inc.	1.9

ANNUALIZED RETURNS

Investment Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception*	Expense Ratio	
								Gross	Net
A Shares (without sales charge)	-2.33	-2.33	-1.66	4.52	18.15	9.65	10.00	0.90	0.90
A Shares (with max. sales charge 5.75%)	-7.94	-7.94	-7.31	2.48	16.75	9.00	9.74	0.90	0.90
Russell Midcap® Value Index	-2.11	-2.11	2.27	3.78	16.70	7.62	—		

Source: Citi. Returns are calculated and stated in U.S. dollars.

*Since inception start date: May 5, 2000.

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.

Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year are annualized.

Other share classes are available.

Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2025.

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.

but as an illustration of broader themes.

* A basis point is one-hundredth of a percentage point (0.01%) and is abbreviated as "bp" (singular) or "bps" (plural).

All investing involves risk, including potential loss of principal.

Contributors and Detractors Source: FactSet. The contributors and detractors mentioned are presented to illustrate examples of the Fund's investments and may not be representative of the Fund's current or future investments. Percentages shown are for the most recent quarter.

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. The Fund is also subject to liquidity risk, which is the risk that the Adviser may not be able to sell a security at an advantageous time or price, which may adversely affect the Fund. 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 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. The securities highlighted, if any, were not intended as individual investment advice.

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

The LSEG Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers.

The LSEG Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible category wins the LSEG Lipper Fund Award.

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.

Victory Sycamore Established Value Fund, R6 was selected from among 71 funds and 217 share classes in the Mid-Cap Core fund category over ten years for the period ending November 30, 2023.

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