

Market Environment

International equities advanced in the fourth quarter as markets rallied on signals of potential interest-rate cuts in the next 12 months as global inflation rates have trended lower. For the quarter, the MSCI ACWI (All Country World) ex USA Index was up 9.75%, while the Victory Trivalent International Fund – Core Equity (Class A, without load) underperformed the benchmark. Most countries in the Index had a positive return, with Europe and Asia Pacific ex Japan outperforming the emerging markets. Sweden was one of the best-performing countries, rising 21.2% after a weak spring and summer and lower-than-expected inflation data. The Netherlands was up 19.9% as AI enthusiasm in the Tech sector boosted the country's overall returns. Mexico and Brazil advanced 18.6% and 17.4%, respectively. On the other end of the spectrum, China fell 4.2% as its economic recovery remains sluggish despite government support measures.

All eleven economic sectors had positive returns during the quarter. Information Technology rebounded from the third quarter and was the top-performing sector during the fourth quarter, advancing 20% on positive AI momentum. The Utilities sector rose 13.6% and the Materials sector was up 12.8% as investor sentiment improved on expectations of lower rates in the next 12 months. Energy was the weakest sector, rising just 2.3%, as Brent crude oil prices fell over 19% and general market uncertainty weighed on the sector.

Portfolio Review

Overall security selection was negative and accounted for the majority of the Fund's performance. Excess returns were generated in three of six regions and five of eleven economic sectors. From a style perspective, the Fund's overall exposure to business momentum and quality was neutral, but value was not helpful. At the sector level, notable underperformance was found in the Information Technology sector. Nokia, the Finnish telecommunications company, was weak after cutting margin guidance and announcing the loss of a large AT&T contract. Underperformance was also found in Industrials. Chinese construction firm China Railway Group declined as lower revenue from high-margin property development services more than offset better margins in construction and engineering related businesses. In Financials, Swiss wealth management company Julius Baer Gruppe declined following unexpected provisioning and a material write-down on a large portion of its private debt portfolio. Standard Chartered underperformed peers after recording a second material impairment in the company's investment in China Bohai Bank.

On the other end of the spectrum, outperformance was found in Consumer Discretionary. Chinese online retailer PDD Holdings rose as their domestic retail businesses continue to gain market share, while their Temu-branded international retail business is also seeing very high growth rates. Selection was also strong in

Consumer Staples. Varun Beverages, the Indian Pepsi bottler, jumped 30% in the fourth quarter as strong earnings and the acquisition of South Africa's licensed Pepsi bottler "The Beverage Company" triggered the rally. In Materials, the Australian building materials company James Hardie rallied 46.4% on good earnings and better guidance for the coming quarters.

Market Outlook

After an impressive year-end rally, investors will look to take cues from central banks for a clearer picture on interest rates and use the upcoming earnings season to assess economic growth. While inflation continues to moderate in most countries, policymakers are trying to temper policy easing expectations to tame investors' dovish repricing, as more evidence is needed before declaring victory over inflation. Geopolitical tensions have continued to rise after Israel suffered a surprise terror attack at the beginning of October and the conflict continues to affect the Middle East. The rising tensions have the potential to add inflationary pressure in the event that global supply chains see disruptions. The conflict should drive oil prices higher, but price cuts have counteracted the tendency so far. Momentum from the Fed's signal to cut rates in the coming year has given European markets a boost of optimism, despite the European Central Bank and Bank of England maintaining their commitment to addressing inflation data. The Bank of Japan maintained a similar vision, keeping short-term interest rates negative and planning to continue to do so until the country reaches a sustainable inflation target of 2%. In the emerging markets, countries will face headwinds similar to those of their developed counterparts with regard to inflation and interest rates. In China, the government's attempts at buoying the country's economy have proven lackluster so far. Time will tell if the support measures will begin to restore the economy or if additional action is necessary. 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 international equities.

Top 5 Contributors (%)	Return	Contribution to Absolute Return
Power Finance Corporation Limited	53.2	0.39
PDD Holdings Inc. Sponsored ADR Class A	49.2	0.30
Novo Nordisk A/S Class B	13.2	0.30
Taiwan Semiconductor Manufacturing Co., Ltd.	19.7	0.28
3i Group plc	23.4	0.28

Top 5 Detractors (%)	Return	Contribution to Absolute Return
Julius Baer Gruppe AG	-22.91	-0.13
Alibaba Group Holding Limited	-10.23	-0.11
InMode Ltd.	-34.37	-0.10
Standard Chartered PLC	-815	-0.09
Sega Sammy Holdings Inc.	-24.34	-0.09

Top Ten Holdings	% Fund
Novo Nordisk A/S Class B	2.17
Novartis AG	1.67
Taiwan Semiconductor Manufacturing Co., Ltd.	1.58
AstraZeneca PLC	1.30
Samsung Electronics Co., Ltd.	1.30
3i Group plc	1.27
Stellantis N.V.	1.17
Siemens Aktiengesellschaft	1.08
Deutsche Telekom AG	0.94
Itochu Corporation	0.89
Total	13.38

Investment Performance (%)

Average Annual Returns as of December 31, 2023

Victory Trivalent International Fund - Core Equity	Ticker	Inception Date	Q4 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Expense Ratio	
										Gross	Net
A Shares, without sales charge	MAICX	8/16/07	8.90	19.21	19.21	2.63	6.86	3.72	1.69	1.79	0.95
A Shares, with sales charge (max. 5.75%)	MAICX	8/16/07	2.61	12.35	12.35	0.61	5.60	3.11	1.32	1.79	0.95
I Shares	MICIX	8/16/07	9.04	19.63	19.63	2.97	7.22	4.13	2.14	1.37	0.60
MSCI ACWI ex USA Index (Net)	-	-	9.75	15.62	15.62	1.55	7.08	3.83	-	-	-

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. 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. Read it carefully before investing.

Not all share classes are available to all investors.

All investing involves risk, including the potential loss of principal. 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 a single country, a small number of countries or a specific region typically exhibit higher volatility. Investments in small- and mid-cap companies typically exhibit higher volatility. 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.

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 MSCI All Country World ex USA Index (ACWI ex USA) is a free-float-adjusted, market-capitalization-weighted index designed to measure the performance of large- and mid-cap stocks across developed markets (excluding the United States) and emerging markets.

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