

Market Environment

Emerging-market small-cap equities rose slightly in the first quarter of 2024 as investor focus remained on economic data that could paint a clearer picture on FOMC and emerging-market central bank projections for rate cuts. For the full quarter, the MSCI Emerging Markets Small Cap Index® rose 1.1%. The Trivalent Emerging Markets Small-Capitalization Equity strategy had a strong quarter, outperforming the index by a wide margin. As is typical, there was wide dispersion among country returns. Thinly traded Hungary rose 15.9% and was the best performing country. Greece small-cap equities rose 12.0% as the country's economy has been supported by tourism, increased investment, and domestic demand. Saudi Arabia returned 11.4% as strong demand in the manufacturing sector boosted non-oil business activity. The tech-heavy Taiwanese small-cap index rose 5.7% as GDP forecasts have nudged higher on strengthening economic growth. Korea finished up 1.0%, in line with the overall index, as exports grew but elevated inflation readings have damaged the near-term outlook for rate cuts. Egypt fell 23.9% and was the worst performing country as soaring inflation and a shortage of foreign currency led to a bailout agreement with the International Monetary Fund (IMF). Thailand dropped 9.5% after GDP projections were lowered due to weaker-than-expected tourism revenue. China had a volatile quarter and ended down 7.1% as disappointing consumer spending and an unstable property market remain a concern.

Sector returns were mixed, with seven of the eleven economic sectors finishing in positive territory. The Industrials sector rose 9.0% and was the best performing sector by a wide margin as electrical equipment and aerospace & defense stocks surged over 20%. The Materials sector fell 4.4% as the chemicals industry underperformed.

Portfolio Review

Overall security selection was positive and accounted for most of the strategy's outperformance. A slight overweight to Mexico also provided a boost to relative performance. The strategy's exposure to our proprietary multi-factor model was a positive contributor to relative performance, with business momentum and quality particularly strong. Excess returns were generated in all three regions and eight of the eleven sectors. Notable outperformance came from Industrials, Consumer Discretionary, and Materials. The top two contributors in Industrials were HD Hyundai Electric and NCC Limited. Korean electric power equipment manufacturer HD Hyundai Electric gained on improving demand related to power grid spending from increased electrification and server spending in domestic and export markets. Indian construction firm NCC Limited rose on the back of accelerating earnings growth from strong top- and bottom-line execution, while new orders continue to be robust. Within Consumer Discretionary, Taiwanese auto repair parts manufacturer Tong Yang advanced on strong sales growth and margin expansion due to increasing insurance policy coverage of aftermarket components. Relative performance in Materials was boosted by the strategy's position in Allied Supreme. The Taiwanese manufacturer of fluoropolymer

products rose on strong sales growth from a U.S. semiconductor client and domestic chemical customers.

On the downside, relative performance in Financials, Utilities, and Communication Services trailed the index. Within Financials, Bairong, Inc., an AI-powered technology platform in China for financial services companies, declined after recording a write-down on an underperforming asset acquired in 2001. Demand for its AI-driven products continues to be very strong. Brazilian utility Equatorial underperformed as full-year results were impacted by several unexpected one-off costs. In Communication Services, Korean K-POP music producer JYP Entertainment declined after reporting weak January album sales. Investors have become increasingly concerned over upcoming contract renewals for several key artists. Chinese pharmaceutical and device manufacturer China Medical fell 40.7% after earnings were negatively impacted by the government's volume-based procurement regulation and an anti-corruption campaign targeting the pharmaceutical industry.

Market Outlook

Investors have grown more optimistic that the global economy can achieve a soft landing amid easing inflation, steady growth, and enduring corporate profits. Earnings growth within most emerging markets has proven resilient in the first three months of 2024. Export-oriented emerging markets India, Korea, and Taiwan have benefited from emerging technologies such as AI and automotive electronics. The recent array of strong economic figures from the U.S. should also support emerging market growth over the next several months. Chinese leadership has shown an increased desire to improve economic conditions. The property crisis and local government debt have required Chinese policymakers and political leaders to take a more active stance in improving economic performance. President Xi has recently hosted several global chief executives to combat the significant decline in direct foreign investment to the country. Latin American countries that began easing cycles last year will likely continue on that path, providing a further boost to investor sentiment. 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 emerging market small-cap equities.

Representative Account Top 5 Contributors* (%)	Contribution to Relative Return
HD Hyundai Electric	0.68
Tong Yang Industry Co., Ltd.	0.65
NCC Limited	0.54
Hanwha Aerospace Co., Ltd.	0.48
Voltamp Transformers Limited	0.46

Representative Account Top 5 Detractors* (%)	Contribution to Relative Return
Hyundai Autoever Corp.	-0.32
China Medical System Holdings Ltd.	-0.29
Angel One Limited	-0.21
LOTTE Fine Chemical Co., Ltd.	-0.20
Bairong, Inc. Class B	-0.19

Source: FactSet.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines, and other factors. The representative account is believed to most closely reflect the current portfolio management style. Holdings are as of quarter end and may change at any time. This material should not be construed as a recommendation to buy or sell securities.

Composite Performance (%)	ANNUALIZED RETURNS						Since Inception 7.1.13
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	
Trivalent Emerging Markets Small-Capitalization Equity (Gross)	5.44	5.44	36.95	11.90	14.36	10.63	10.54
Trivalent Emerging Markets Small-Capitalization Equity (Net)	5.17	5.17	35.59	10.79	13.22	9.48	9.39
MSCI Emerging Markets Small Cap Index (Net)	1.05	1.05	20.56	4.23	8.51	5.09	5.52

DISCLOSURES

All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class.

Past performance cannot guarantee future results. Returns for periods greater than one year are annualized. Returns are expressed in U.S. dollars. Composite and benchmark returns are presented net of non-reclaimable withholding taxes, if any.

Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting 1/12 of the highest tier of the standard fee schedule in effect for the period noted (the model fee). The composite model fee for each period is either the highest tier of the current fee schedule or a higher value, whichever is required to ensure the model composite net-of-fee return is lower than or equal to the composite net-of-fee return calculated using actual fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part 2A of its Form ADV.

The Trivalent Emerging Markets Small-Capitalization Equity Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent Emerging Markets Small-Capitalization Equity strategy. The strategy focuses on foreign small-cap companies that are characterized by improving business momentum and attractive valuations. The composite creation date is August 2013. The benchmark of the composite is the MSCI Emerging Markets Small Cap Index (Net). Prior to 10/1/2017, the benchmark is the S&P® Emerging Plus Small Cap Index (Net). The MSCI Emerging Markets Small Cap Index is a free-float-adjusted, market-capitalization-weighted index designed to measure the performance of small-cap stocks in the emerging markets. Index returns are provided to represent the investment environment during the periods shown. Index returns reflect the reinvestment of dividends and capital gains but do not include advisory fees, transaction costs, or other expenses. One cannot invest directly in an index. Non-US indices are net of non-reclaimable withholding taxes, if any.

Holdings do not include cash, money market instruments, options or futures.

The representative account serves as the model against which each Trivalent Emerging Markets Small-Capitalization Equity Strategy account is managed. The representative account is an actual portfolio and the information provided, including performance, will vary for other accounts. The representative account is being used solely as a tool to help demonstrate how performance can be

Representative Account Top 10 Holdings	Country	Sector
Tong Yang Industry Co., Ltd.	Taiwan	Consumer Discretionary
Jindal Stainless Limited	India	Materials
King Yuan Electronics Co., Ltd.	Taiwan	Information Technology
NCC Limited	India	Industrials
Getac Holdings Corporation	Taiwan	Information Technology
Voltamp Transformers Limited	India	Industrials
Angel One Limited	India	Financials
Hanwha Aerospace Co., Ltd.	Korea	Industrials
Marcopolo SA Pfd	Brazil	Industrials
eClxer Services Limited	India	Industrials
Total % of Portfolio		13.52%

attributed to the investment policies applied in the management of the Trivalent Emerging Markets Small-Capitalization Equity Strategy.

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. A complete list of all holdings for the previous 12 months, each holding's contribution to the strategy's performance, and the calculation methodology used to determine the holdings' contribution to performance is available on request. Victory Capital Management Inc., and its affiliates, as agents for their clients, and any of its officers or employees, may have a beneficial interest or position in any of the securities mentioned, which may be contrary to any opinion or projection expressed in this report. This information should not be relied upon as research or investment advice regarding any security in particular.

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Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®).

*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. Holdings are as of quarter end and may change at any time.

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