

Trivalent Emerging Markets Small-Capitalization Equity Strategy

As of December 31, 2024

Market Environment

Emerging market small-cap equities declined in the final quarter of 2024 as the U.S. Dollar rallied against most local currencies and unease over President-elect Trump's tariff policy weighed on sentiment. For the full quarter, the MSCI Emerging Markets Small Cap Index declined 7.2 %. For the full calendar year, the index rose 4.8%. The Trivalent Emerging Markets Small-Capitalization Equity strategy outperformed the benchmark by a wide margin in both the fourth quarter and the full year. As is typical, there was wide dispersion among country returns. Thinly traded Colombia rose 32.3% and was the best performing country. Turkey rose 5.5% as underlying inflation fell significantly from its peak, resulting in a larger-than-expected 250-bps rate cut. Both China (-4.5%) and India (-5.8%) declined in the quarter but outperformed the overall index. Chinese industrial production and exports remained stable despite muted domestic demand. India small-cap equities were supported by an increase in household discretionary spending, although this was offset a bit by retail inflation which hit a 14-month high in October. Brazil fell 23.7% and was the worst performing country. The Brazilian Real depreciated by over 11%, and investors remain skeptical whether the government will be able to pass a fiscal bill needed to stabilize its finances. Korean small-caps fell 16.4% as political turmoil spooked investors and could delay efforts to improve corporate governance and boost corporate equity valuations relative to global peers. Thailand declined 13.9% as weakness in medical tourism dragged down the performance of health care providers.

All eleven sectors ended the quarter in negative territory. Utilities declined 12.4% and was the worst performing sector, while Materials fell 11.9%. Despite significant volatility, Information Technology was the best performing sector, supported by strength in IT Services and Electronic Equipment.

Portfolio Review

Overall security selection was positive and accounted for all the strategy's outperformance. The strategy's exposure to our proprietary multifactor model had a small positive impact on performance, with exposure to business momentum supporting relative performance and value detracting. Excess returns were generated in all three regions and six of the eleven economic sectors. Notable outperformance came from Real Estate, Health Care and Consumer Discretionary. Within Real Estate, UAE-based real estate developer Emaar Development soared after reporting a surge in nine-month property sales. India-based Oberoi Realty advanced on the back of strong pre-sales for its luxury development projects. Health Care relative performance benefited from two holdings. Chinese optical lens manufacturer Shanghai Conant Optical rose on growing demand for smart glasses components. Chinese pharmaceutical manufacturer and distributor United Laboratories has benefited from slower-than-expected competition and increased market share in several treatment areas. Among the strategy's holdings in Consumer Discretionary, Chinese retailer of home goods and toys Miniso Group was buoyed by better-than-expected third quarter results and

optimistic guidance for overseas expansion in the coming year led by their Top Toy brand.

On the downside, relative performance in Consumer Staples and Materials trailed the index. Within Consumer Staples, Turkish soft drinks bottler Coca-Cola Icecek fell after reporting weak results. Geopolitical tensions are having a negative impact on the company's revenue and volume expectations. Multinational cosmetics company Kolmar Korea declined following the company's report as their U.S. and Chinese businesses did not perform as well as expected. In Materials, PCBL, the Indian chemical company, declined following a very strong start to 2024. The company reported an in-line quarter which slightly surprised the market following several strong quarters in a row.

Market Outlook

Emerging markets should experience moderate economic growth in 2025, although trade tension and broad-based tariffs will remain an overhang and put upward pressure on inflation. While the Trump administration will take a tough stance on China and Mexico, countries such as India and South Africa could benefit from a prolonged trade war. India continues to experience strong domestic demand, government support, and an uptick in rural consumption. In South Africa, business activity and domestic reforms initiated by the new government are improving investor sentiment. Asia's economic growth will continue to be supported by the technology sector. Continued growth in AI will provide opportunities from chipmaking to power generation, supporting growth across many different sectors as the technology becomes more accessible. Several Asian economies hold significant foreign currency reserves as a protection against significant FX devaluation and to ensure financial stability if volatility rises due to geopolitical events. Emerging markets continue to trade at a large discount to developed markets despite higher forecasted growth rates. Emerging market small-cap equities have benefited from resilience in domestic demand and a proactive stance by several central banks which were able to cut interest rates sooner than their developed market counterparts. 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
Emaar Development PJSC	0.60
Shanghai Conant Optical Co. Ltd. Class H	0.38
Elite Material Co., Ltd.	0.35
Lotes Co., Ltd.	0.35
BizLink Holding Inc.	0.29
Representative Account Top 5 Detractors* (%)	Contribution to Relative Return
PCBL Chemical Limited	-0.47
Voltamp Transformers Limited	-0.37
Hyundai Rotem Co.	-0.33
Poongsan Corporation	-0.33
Mahanagar Gas Ltd.	-0.26

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.

ANNUALIZED RETURNS							
Composite Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception 7.1.13
Trivalent Emerging Markets Small-Capitalization Equity (Gross)	-5.78	9.76	9.76	9.58	14.71	10.43	10.21
Trivalent Emerging Markets Small-Capitalization Equity (Net)	-6.02	8.66	8.66	8.50	13.57	9.29	9.06
MSCI Emerging Markets Small Cap Index (Net)	-7.19	4.79	4.79	2.11	8.56	5.73	5.48

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
Emaar Development PJSC	United Arab Emirates	Real Estate
PCBL Chemical Limited	India	Materials
King Yuan Electronics Co., Ltd.	Taiwan	Information Technology
Tong Yang Industry Co., Ltd.	Taiwan	Consumer Discretionary
Titan Cement International N.V.	Greece	Materials
Elite Material Co., Ltd.	Taiwan	Information Technology
NCC Limited	India	Industrials
Lotes Co., Ltd.	Taiwan	Information Technology
BizLink Holding Inc.	Taiwan	Industrials
HD Hyundai Electric	Korea	Industrials
Total % of Portfolio		14.00%

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.

Victory Capital Management Inc. (VCM) is a diversified global investment advisor registered under the Investment Advisers Act of 1940 and comprises multiple investment franchises: Integrity Asset Management, Munder Capital Management, New Energy Capital, NewBridge Asset Management, RS Investments, Sophus Capital, Sycamore Capital, THB Asset Management, Trivalent Investments, Victory Income Investors (formerly USAA Investments, a Victory Capital Investment Franchise), and the VictoryShares & Solutions Platform. Munder Capital Management and Integrity Asset Management became part of the Victory Capital GIPS firm effective November 1, 2014; RS Investments and Sophus Capital, effective January 1, 2017; Victory Income Investors, effective July 1, 2019; THB Asset Management, effective March 1, 2021; and New Energy Capital, effective November 1, 2021. Effective September 1, 2023, INCORE Capital Management is no longer part of the firm definition.

Request a GIPS® Report from your Institutional Relationship Manager or visit www.vcm.com.

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.

V17.102 // 4Q 2024 TRI EMSC Strategy COM

For Institutional Investors and Financial Professionals Only—Not for Distribution to the Public

**For more information about separate accounts and mutual funds, contact
Victory Capital Management at 877-660-4400 or visit vcm.com.**

