

Market Environment

International equities rose for the third consecutive quarter, supported by easing trade tensions and resilient global economic data. For the quarter, the MSCI EAFE (Europe, Australasia and Far East) Index advanced 4.8%, while the Trivalent International Developed Equity strategy outperformed the benchmark. All regions were positive, with Japan leading the upside and advancing by 8.0%. A favorable U.S.-Japan trade deal and continuing corporate governance reforms bolstered Japanese performance. Spain improved 12.9% on the back of multiple credit rating upgrades and outperformance in the Financials sector. Dutch equities climbed 9.6%, led by strength in the Consumer Discretionary and Information Technology sectors. Hong Kong gained 9.1%, buoyed by the extension of the U.S.-China trade truce and strong IPO activity. Denmark fell 13.1% as megacap Novo Nordisk declined after issuing a profit warning due to rising competition in the weight-loss drug market.

Ten of the eleven economic sectors were positive in the quarter. The Financials sector rose 8.5% as European banks had a strong quarter. The Consumer Discretionary sector gained 7.0% as the Automobile industry performed well. Consumer Staples was the worst-performing sector, moving down 1.0%, led by underperformance in Food and Beverages.

Portfolio Review

Security selection was positive in the quarter and explained the majority of relative performance. Excess returns were generated in two of four regions and seven of the eleven economic sectors. From a style perspective, value performed well, business momentum was modestly supportive, and quality was a relative detractor. Security selection had the most positive contribution from the Industrials and Health Care sectors. In Industrials, Japanese cable and wire manufacturer Fujikura moved higher on earnings reports which confirmed strength in demand for electrical and data connections. British aerospace leader Rolls-Royce Holdings rose further as its aircraft engine business continued to exhibit improved earnings and cash flow growth from its long-term service agreements. Within Health Care, European biotech Argenx rose after sales of its flagship autoimmune treatment Vyvgart exceeded expectations and a recently launched prefilled syringe version expanded the market opportunity. In Technology, Japanese electronics firm Ibiden posted strong results on the back of growth in substrate packages for AI servers.

Stock selection within Communication Services was the most negative. Japanese digital game developer Konami declined due to profit-taking by investors after strong share price performance over the last year. French media giant Publicis declined despite winning several large media contracts and raising sales guidance. Uncertainty over the impact AI could have on advertising, coupled with poor results

from peers, has dampened recent investor sentiment for advertising companies. Returns also trailed in Utilities and Consumer Staples. In Utilities, Sembcorp Industries in Singapore fell after delivering weaker-than-expected second quarter results and full-year guidance. The results were negatively impacted by high-priced power contracts that expired and were renewed at lower rates. Within Consumer Staples, AB InBev, the multinational beer company, declined after reporting results that slightly missed expectations. Volumes in China and South America slowed more than the investment community expected.

Market Outlook

International equities have demonstrated strength year-to-date as investors diversify away from U.S. market concentration toward the broader global economy, supported by compelling valuations and solid fundamentals. As trade tensions ease, sentiment has improved amid constructive progress in tariff negotiations and the growing shift toward bilateral trade agreements. Global economic momentum remains strong, supported by the rapid build-out of data centers and continued enthusiasm for artificial intelligence as a productivity driver. Following eight rate cuts earlier this year, the European Central Bank held rates steady as inflation moved closer to target levels. Meanwhile, European defense spending remains a key theme, with Germany leading NATO's renewed commitment to expand defense budgets, a structural tailwind for the region's defense sector. Across the broader Asia-Pacific region, easing inflation, currencies appreciating against the dollar, and resilient domestic demand should counter headwinds from U.S. tariffs. Additionally, many central banks are likely to continue cutting policy interest rates in efforts to support growth. On the risk front, geopolitical instability persists amid ongoing international conflicts and lingering uncertainty surrounding U.S. import tariffs. However, global trade relations continue to improve, with international investment into the U.S. rising as firms seek to mitigate tariff exposure, and reshoring and localization trends continue to strengthen supply chain resilience. From a valuation perspective, international stocks remain attractively priced relative to U.S. stocks. We continue to be guided by our bottom-up analysis and will evaluate upcoming earnings and outlook statements to refine our positioning.

Representative Account Top 5 Contributors* (%)	Contribution to Relative Return (Gross of fees)
Fujikura Ltd.	0.61
Banco Santander, S.A.	0.46
Rolls-Royce Holdings plc	0.32
Standard Chartered PLC	0.29
Prosus N.V. Class N	0.28
Representative Account Top 5 Detractors* (%)	Contribution to Relative Return (Gross of fees)
Pandora A/S	-0.22
SAP SE	-0.18
Anheuser-Busch InBev SA/NV	-0.18
Euronext NV	-0.13
Evonik Industries AG	-0.10

Representative Account Top 10 Holdings	Country	Sector
Novartis AG	Switzerland	Health Care
Siemens Aktiengesellschaft	Germany	Industrials
Banco Santander, S.A.	Spain	Financials
NEC Corporation	Japan	Information Technology
Standard Chartered PLC	United Kingdom	Financials
Rolls-Royce Holdings plc	United Kingdom	Industrials
AstraZeneca PLC	United Kingdom	Health Care
Sumitomo Mitsui Financial Group, Inc.	Japan	Financials
Sony Group Corporation	Japan	Consumer Discretionary
ABB Ltd.	Switzerland	Industrials
Total % of Portfolio		18.18%

Source: FactSet.

Holdings are subject to change and should not be construed as investment advice or a recommendation to buy, sell, or hold any security.

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. 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 9.1.07
Trivalent International Developed Equity (Gross)	5.60	28.00	19.75	24.61	12.67	9.01	4.91
Trivalent International Developed Equity (Net)	5.44	27.43	19.03	23.87	12.00	8.31	4.30
MSCI EAFE Index (Net)	4.77	25.14	14.99	21.70	11.15	8.17	4.13

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 net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

Performance prior to November 1, 2014, occurred while the portfolio management team was affiliated with a prior firm. Such members of the portfolio management team were responsible for investment decisions at the prior firm and the decision-making process has remained intact. Gross-of-fees returns are presented before management and custodial fees but after any transaction costs. The composite net-of-fees returns reflect net-of-model fees and are calculated in the same manner as gross-of-fee returns using the Time Weighted Rate of Return method. 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.

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.

The Trivalent International Developed Equity Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent International Developed Equity strategy. The strategy focuses on foreign companies that are characterized by improving business momentum and attractive valuations. Prior to October 2012, the minimum size for inclusion in the composite was \$1 million. Prior to July 2020, the name of the composite was Trivalent International Core Equity. The composite has a policy to temporarily remove accounts from the composite when a significant cash flow occurs. Effective December 2015, a significant cash flow is defined as a cash inflow or outflow of 15% or more of the portfolio value at the beginning of the month. The account is removed from the composite for the month in which that cash flow occurred. The composite creation date is August 2007, and the composite inception date is September 2007.

The benchmark of the composite is the MSCI EAFE Index (Net). The MSCI EAFE Index (Net) is a free- float-adjusted market capitalization index that is designed to measure developed equity market performance, excluding the U.S. and Canada. The benchmark returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. For comparison purposes, the index is fully invested, which includes the reinvestment of income. The returns have been taken from a published source and do not include any transaction fees, management fees, or other costs.

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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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