

Market Environment

International equities were down in the fourth quarter on global growth concerns and heightened uncertainty surrounding potential trade tariffs following the Trump victory in the U.S. elections. Returns were further pressured by a stronger dollar as the U.S. Dollar Index climbed 7.1% and reached a one-year high amid tempered expectations for the pace of future Federal Reserve rate cuts. For the quarter, the MSCI ACWI (All Country World) ex USA Index was down 7.6%, while the Trivalent International Equity strategy outperformed the benchmark. Regions were all negative with Europe leading the downside, lower by 10.2%. Denmark declined 21.5% as pharmaceutical giant Novo Nordisk slipped on the back of poor initial clinical trial data for a new weight-loss therapy. Brazil and South Korea were the worst performing emerging markets, down 19.4% and 19.2%, respectively. The Brazilian consumer outlook has been hurt by austerity measures required to tame rising inflation. The South Korean markets trailed as political turmoil spooked investors and could delay efforts to improve corporate governance and boost equity valuations relative to global peers. Israel was the best performing country, rising 14.1% despite an ongoing conflict with Hamas.

All eleven economic sectors were negative in the quarter. The Materials and Health Care sectors were down the most, falling 17.2% and 13.9%. The most rate-sensitive sectors of Real Estate and Utilities also trailed, down 11.6% and 12.8%, as global rates moved higher. Information Technology was the best performing sector, down just 1.8% as index heavyweight TSMC rose alongside optimism for increased spending for AI datacenter buildouts. Financials were better than most, slipping just 2.8%, as banks are net beneficiaries of higher interest rates.

Portfolio Review

Security selection was positive in the quarter and explained all the relative performance. Excess returns were generated in five of six regions and nine of the eleven economic sectors. From a style perspective, the strategy's exposures to value, quality and business momentum all had a supportive impact on performance.

Security selection was strongest in the Consumer Staples sector. Toyo Suisan Kaisha, the Japanese instant noodle manufacturer, rose after reporting better-than-expected earnings during the period, with a solid outlook for the North American market. Within Financials, the U.K. bank Standard Chartered advanced on renewed optimism for loan demand and wealth management across Asia. Japanese megabank Sumitomo Mitsui Financial Group rose following the release of its Q2 results, raising profit guidance and announcing a larger-than-expected share buyback. Canadian insurance company Fairfax Financial advanced on the back of better-than-consensus Q3 earnings and the favorable impact declining interest rates have on its bond portfolio.

Health Care and Communication Services stock selection was slightly negative. Danish pharmaceutical company Novo Nordisk fell after phase 3 clinical results for its next-generation weight-loss drug

CagriSema failed to meet expectations. In addition, global contract research provider Icon plc fell after net new business came in below expectations as customers are taking longer to make decisions on clinical research projects. Thai hospital and health care center operator Bumrungrad Hospital declined after reporting lower-than-expected domestic and foreign patient volumes. Indonesian telecommunication service provider PT Indosat declined as growing competition among operators has led to higher marketing expenses and lower revenue per user.

Market Outlook

International markets have softened as investors await more clarity around the incoming U.S. administration's policies, particularly regarding what seems to be a more nationalist approach. The potential impact of tariffs remains a key variable given they could increase inflationary pressures and slow the pace of interest rate cuts. However, the likelihood of their implementation and the extent of their impact is uncertain. Regarding ongoing geopolitical issues, the new administration has expressed its intent to broker a peace deal in Gaza and resolve the conflict in Ukraine, potentially providing a material boost to investor sentiment. Meanwhile, artificial intelligence is a significant theme supporting global equity markets, with tremendous investment taking place in pursuit of adequate computing power. The artificial intelligence buildout is creating opportunities across a wide range of industries, from chip manufacturing to power generation. From a valuation standpoint, international equities are still trading at earnings multiples slightly below historical averages and at an attractive discount relative to U.S. peers. 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.

Representative Account Top 5 Contributors* (%)	Contribution to Return
Emaar Development PJSC	0.33
Taiwan Semiconductor Manufacturing Co., Ltd.	0.21
Standard Chartered PLC	0.13
Sumitomo Mitsui Financial Group, Inc.	0.13
Mizuho Financial Group, Inc.	0.12
Representative Account Top 5 Detractors* (%)	Contribution to Return
Novo Nordisk A/S Class B	-0.54
Novartis AG	-0.26
PDD Holdings Inc. Sponsored ADR Class A	-0.21
ASML Holding NV	-0.16
Reliance Industries Limited	-0.15

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.

Representative Account Top 10 Holdings	Country	Sector
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology
Novartis AG	Switzerland	Health Care
Novo Nordisk A/S Class B	Denmark	Health Care
Tencent Holdings Ltd.	China	Communication Services
Fairfax Financial Holdings Limited	Canada	Financials
AstraZeneca PLC	United Kingdom	Health Care
Sumitomo Mitsui Financial Group, Inc.	Japan	Financials
Siemens Aktiengesellschaft	Germany	Industrials
Deutsche Telekom AG	Germany	Communication Services
Itochu Corporation	Japan	Industrials
Total % of Portfolio		14.13%

ANNUALIZED RETURNS

Composite Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception 1.10.10
Trivalent International Equity (Gross)	-5.53	9.49	9.49	3.16	5.34	5.86	6.67
Trivalent International Equity (Net)	-5.67	8.84	8.84	2.54	4.71	5.16	5.91
MSCI ACWI ex USA Index (Net)	-7.60	5.53	5.53	0.82	4.10	4.80	4.68

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

Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting one-twelfth 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 International Equity Composite includes all portfolios of \$100,000 or more that are managed according to the Trivalent International Equity strategy. The strategy focuses on foreign companies that are characterized by improving business momentum and attractive valuations. The benchmark is the MSCI ACWI ex USA Index (Net). The composite creation date is December 2009.

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.

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.

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

The representative account serves as the model against which each Trivalent International 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 attributed to the investment policies applied in the management of the Trivalent International 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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*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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