

The portfolio managers of the Victory Growth and Tax Strategy Fund invest the Fund's assets in municipal bonds and blue-chip stocks. The Victory Income Investors team manages the Fund's fixed income portfolio with a goal of producing a high level of tax-exempt income. Victory Solutions, which uses active tax management and stock selection aiming to provide aggregate investment characteristics similar to those of the S&P 500® Index without sacrificing performance, manages the equity portfolio.

During the fourth quarter, the Victory Growth and Tax Strategy Fund (fund shares) underperformed its composite benchmark, which is composed of 50% stocks and 50% bonds.

The Municipal Portfolio

The municipal market experienced negative returns this quarter. Throughout the fourth quarter the Federal Reserve (Fed) continued with easing monetary policy, reducing rates by 25 basis points* (bps) in November and December. Markets experienced notable volatility pre-election, but much subsided heading into December. While markets were uncertain on the number of rate cuts to expect in 2025, a strong economy and increased inflationary pressures linked to policies of the incoming administration caused investors to shift gears and reduce the number of cuts expected from four to two in the next year. The Bloomberg Municipal Bond Index returned -1.22% for the fourth quarter of 2024, beating the Bloomberg U.S. Aggregate Bond Index, which returned -3.06%. Performance was largely driven by the Treasury yield curve, which seesawed throughout the quarter, trending downward prior to the presidential election in November but pushed higher toward the end of the year. Inflation trended sideways while the labor market remained stable, which resulted in the market pricing in stickier inflation and a rise in term premiums. However, the economy continues to show resilience, and credit spreads remained tight. The yield of the Bloomberg Municipal Bond Index rose from 3.32% at the end of the third quarter to 3.74% at the end of the fourth quarter of 2024, which is a taxable-equivalent yield of 6.32% (in the highest tax bracket). We continue to believe that current yield levels offer investors an attractive entry point into the muni market and are even more attractive when you consider the tax-free treatment of most municipal bonds.

The Equity Portfolio

During the fourth quarter, the stock market's momentum showed some signs of slowing down. Stocks surged early in the fourth quarter as investors digested the outcome of U.S. elections and anticipated a new pro-business and lower-regulatory environment. But volatility reared up once again in December.

The Fed cut interest rates for the third time at their December FOMC meeting (lowering the federal funds rate a total of 100 basis points over the course of the year), but left investors surprised by suggesting that there may be fewer rate cuts ahead. Given the lofty valuations, some investors took profits and December turned out to be a rough month for stocks.

During the period, four of eleven market sectors were positive.

* A basis point is one-hundredth of a percentage point (0.01%) and is abbreviated as "bp" (plural "bps").

Standardized Performance: December 31, 2024

Average Annual Returns (%)

Victory Growth and Tax Strategy Fund	Ticker	Inception Date	Q4 2024	1 Year	5 Year	10 Year	Since Inception	Expense Ratio Gross	Expense Ratio Net
Fund Shares	USBLX	01/11/89	0.29	13.32	7.09	7.17	6.99	0.51	0.51
Fund Shares, after taxes on distributions ¹	USBLX	01/11/89	0.14	12.25	6.75	6.79	6.46	0.51	0.51
Fund Shares, after taxes on distributions and sale of shares ²	USBLX	01/11/89	0.17	7.86	5.67	5.86	6.09	0.51	0.51
A Shares, without sales charge	UGTAX	06/29/20	0.21	12.96	–	–	8.17	0.93	0.83
A Shares, with sales charge (max. 2.25%)	UGTAX	06/29/20	-2.05	10.41	–	–	7.63	0.93	0.83
C Shares, without sales charge	UGTCX	06/29/20	0.05	12.11	–	–	7.37	1.76	1.58
C Shares, with sales charge	UGTCX	06/29/20	-0.95	11.11	–	–	7.37	1.76	1.58
Institutional Shares	UGTIX	06/29/20	0.28	13.29	–	–	8.49	0.54	0.54
S&P 500® Index	–	–	2.41	25.02	14.53	13.10	–	–	–
Bloomberg Municipal Bond Index	–	–	-1.22	1.05	0.99	2.25	–	–	–
Composite Index	–	–	0.60	12.54	7.87	7.82	–	–	–

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. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which Fund performance would have been lower. Class C Shares are subject to a deferred sales charge of 1.00% on shares redeemed within the first year. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through June 30, 2025. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. After-tax returns are shown for only one share class. After-tax returns for other classes will vary.

¹Return after taxes on distributions. Assumes fund shares have not been sold.

²Return after taxes on distributions and sale of fund shares.

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.

All investing involves risk, including the potential loss of principal. In addition to the normal risks associated with investing, asset allocation and diversification do not promise any level of performance or guarantee against loss of principal. Fixed income securities are subject to interest rate, inflation, credit, and default risk. The bond market is volatile. Bonds and bond funds will decrease in value as interest rates rise and vice versa. Credit risk refers to the possibility that debt issuers may not be able to make principal and interest payments or may have their debt downgraded by ratings agencies. High yield securities may be more volatile, be subject to greater levels of credit or default risk, and may be less liquid and more difficult to sell at an advantageous time or price than higher-rated securities of similar maturity. The Fund is also subject to liquidity risk, which is the risk that the Adviser may not be able to sell a security at an advantageous time or price, which may adversely affect the Fund. Some tax-exempt securities, including variable-rate demand notes (VRDNs), are subject to special risks that pose additional liquidity and default risks. Large shareholders, including other funds advised by the Adviser, may own a substantial amount of the Fund's shares. The actions of large shareholders, including large inflows or outflows, may adversely affect other shareholders, including potentially increasing capital gains. 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.

The S&P 500® Index is a market-capitalization-weighted index that measures the performance of the common stocks of 500 leading U.S. companies.

The Bloomberg Municipal Bond Index is considered to be generally representative of investment-grade municipal issues having remaining maturities greater than one year and a national scope.

The Composite Index is split evenly between stocks and bonds, with the S&P 500® Index and the Bloomberg Municipal Bond Index each constituting 50% of the Composite Index.

The Bloomberg U.S. Aggregate Bond Index measures the investment grade, USD-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

The Bloomberg U.S. Universal Index is an index that represents the union of the U.S. Aggregate Index, U.S. Corporate High-Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or below investment grade.

Funds distributed by Victory Capital Services, Inc., an affiliate of Victory Capital Management Inc.

©2025 Victory Capital Management Inc.

V19.130 // 4Q 2024 Victory Growth and Tax Strategy Fund COM

