

As of March 31, 2025

Market Environment

International equities rose in the first quarter despite concerns over ongoing trade tariff uncertainty and the emergence of DeepSeek, a cost-efficient artificial intelligence model developed by a Chinese start-up. For the quarter, the MSCI ACWI (All Country World) ex USA Index was up 5.2%, while the Victory Trivalent International Fund – Core Equity (Class A, without load) outperformed the benchmark. Regions were all positive, with Europe leading the upside. The outcome of the German election served as a catalyst as Chancellor-elect Merz negotiated a deal to increase defense and infrastructure spending. This marks a shift from traditional conservative fiscal policies. The German market rose by 15.5%. Other smaller European markets followed higher, with Poland, the Czech Republic and Greece the top performers, up 31.3%, 28.7% and 23.4%, respectively. Thailand declined 13.7% and was the worst-performing country. Economic activity in Thailand slowed during the quarter, and the recent earthquake is expected to result in significant financial losses. Taiwan declined 12.6% as the tech-heavy index took a breather after an AI-led rally last year. Denmark slipped 12.1% as pharmaceutical giant Novo Nordisk continued to fall as alternatives to their key Wegovy franchise are gaining ground.

Ten of the eleven economic sectors were positive in the quarter. The Communication Services sector was the best, rising 11.2% as Chinese heavyweight Tencent gained 19%. Financials were also strong as a group, rising 10.2% with the promise for new European fiscal measures boosting the growth outlook. Information Technology stocks, down 6.3%, lagged as the expectations for rapid growth in AI investment were tempered by questions surrounding new models led by the surprising efficiency of the Chinese company DeepSeek.

Portfolio Review

Security selection was positive in the quarter and explained all the relative performance. Excess returns were generated in three of four regions and eight of the eleven economic sectors. From a style perspective, the Fund's exposure to value had a supportive impact on performance, while quality and business momentum were somewhat neutral. Security selection had the most positive contribution in the Industrials sector, led by three aerospace & defense holdings. South Korean defense equipment manufacturer Hanwha Aerospace gained as European export orders continued to rise. Italian aerospace & defense contractor Leonardo rose after several European governments committed to increased military spending. British jet engine manufacturer Rolls-Royce vaulted higher as improved performance on long-term service contracts prompted higher targets for growth in future cash flows. Materials holdings also had a strong positive impact. Northern Star Resources, an Australian-based precious metals company, rallied during the period following good quarterly results, the solid acquisition of De Grey Mining, and tailwinds from the gold price movement. Within Financials, Spanish lender Banco Santander surged following the release of strong fourth quarter earnings, an enhanced shareholder return policy, and continued strength across the Spanish economy.

Consumer Discretionary stock selection was negative. Danish

jewelry brand Pandora declined as a combination of increasing economic uncertainty impacting consumer confidence and rising silver prices led to concerns about earnings growth. Italian luxury brand Prada declined despite stronger sales growth relative to peers on concerns over potential interest in buying privately held peer Versace. Within the Energy sector, U.K. oil & gas company Harbour Energy underperformed after disappointing the market by not announcing a stock buyback with its full-year result. In Mexico, Vista Energy underperformed following fourth quarter results that had higher costs from having to transport a greater proportion of its oil via trucks. The company awaits the completion of a pipeline expansion that will provide significantly lower transportation costs. Within Real Estate, India-based Oberoi Realty declined after missing expectations for pre-sales, delayed launches of new projects, and a general risk-off sentiment for Indian equities.

Market Outlook

International equities started the year with positive momentum as investors look to diversify away from U.S. market concentration into the broader global economy, drawn by attractive valuations and solid fundamentals. Market volatility has recently surged following U.S. tariff announcements, which risk disrupting global supply chains and eroding business confidence. As the next earnings season approaches, we anticipate forward guidance to reflect increased corporate uncertainty provided tariffs remain in place. It remains unclear whether the tariffs will act as a bargaining tool for more bilateral trade agreements or escalate into a wider global trade conflict. Amid escalating global trade tensions, Europe offers some counterbalancing tailwinds. The European Central Bank (ECB) cut rates for the sixth time in nine months to stimulate economic activity as inflation continues to slow. European countries are taking proactive steps in response to concerns that the U.S. may limit future aid to Ukraine. Germany's ambitious infrastructure and defense spending plan could provide a much-needed economic boost to the country's sluggish economy. European defense spending, which is also benefiting countries like Japan due to high demand, is projected to continue growing as nations focus on rearming. Japan has also seen significant developments, with its largest wage increase since 1993 following decades of stagnant wage growth. The artificial intelligence (AI) sector has cooled in recent months, especially after DeepSeek's groundbreaking AI model raised concerns about the long-term costs of AI development. Despite short-term challenges, AI is expected to continue its transformative role across various industries and will be a crucial long-term driver of productivity and economic growth. 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.

Top 5 Contributors (%)	Return	Contribution to Absolute Return
Leonardo SpA	80.3	0.39
Hanwha Aerospace Co., Ltd.	92.3	0.36
Banco Santander, S.A.	44.7	0.34
Deutsche Telekom AG	23.5	0.26
Tencent Holdings Ltd.	19.0	0.24
Top 5 Detractors (%)	Return	Contribution to Absolute Return
Taiwan Semiconductor Manufacturing Co., Ltd.	-16.1	-0.47
Novo Nordisk A/S Class B	-16.6	-0.16
Wiwynn Corporation	-38.3	-0.16
Schneider Electric SE	-13.3	-0.15
Oberoi Realty Limited	-28.9	-0.11

Top Ten Holdings	% Fund
Taiwan Semiconductor Manufacturing Co., Ltd.	2.54
Novartis AG	1.64
Tencent Holdings Ltd.	1.51
Siemens Aktiengesellschaft	1.38
Deutsche Telekom AG	1.30
Alibaba Group Holding Limited	1.28
AstraZeneca PLC	1.22
Sumitomo Mitsui Financial Group, Inc.	1.15
Sony Group Corporation	1.05
Standard Chartered PLC	1.05
Total	14.12

Investment Performance (%)

Average Annual Returns as of March 31, 2025

Victory Trivalent International Fund - Core Equity	Ticker	Inception Date	Q1 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Expense Ratio Gross	Expense Ratio Net
A Shares, without sales charge	MAICX	8/16/07	6.46	6.46	7.54	6.47	11.94	4.95	2.39	1.79	0.95
A Shares, with sales charge (max. 5.75%)	MAICX	8/16/07	0.36	0.36	1.39	4.37	10.64	4.34	2.04	1.79	0.95
I Shares	MICIX	8/16/07	6.54	6.54	7.86	6.79	12.31	5.34	2.83	1.42	0.60
MSCI ACWI ex USA Index (Net)	–	–	5.23	5.23	6.09	4.48	10.92	4.98	–	–	–

Source: Victory Capital data analyzed through Zephyr.

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. Other share classes are available. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which fund performance would have been lower. Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2025.

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.

Other share classes are available. Not all share classes are available to all investors.

All investing involves risk, including the potential loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in smaller companies typically exhibit higher volatility. 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. Fund holdings are subject to change and should not be considered purchase recommendations.

There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. Top holdings do not reflect cash, money market instruments or options/futures contracts holdings. The most currently available data regarding portfolio holdings can be found on our website, www.vcm.com.

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. The percent displayed is contribution to return. Holdings are as of quarter end and may change at any time.

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.

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