

IN BRIEF



Stepping on the dividend accelerator

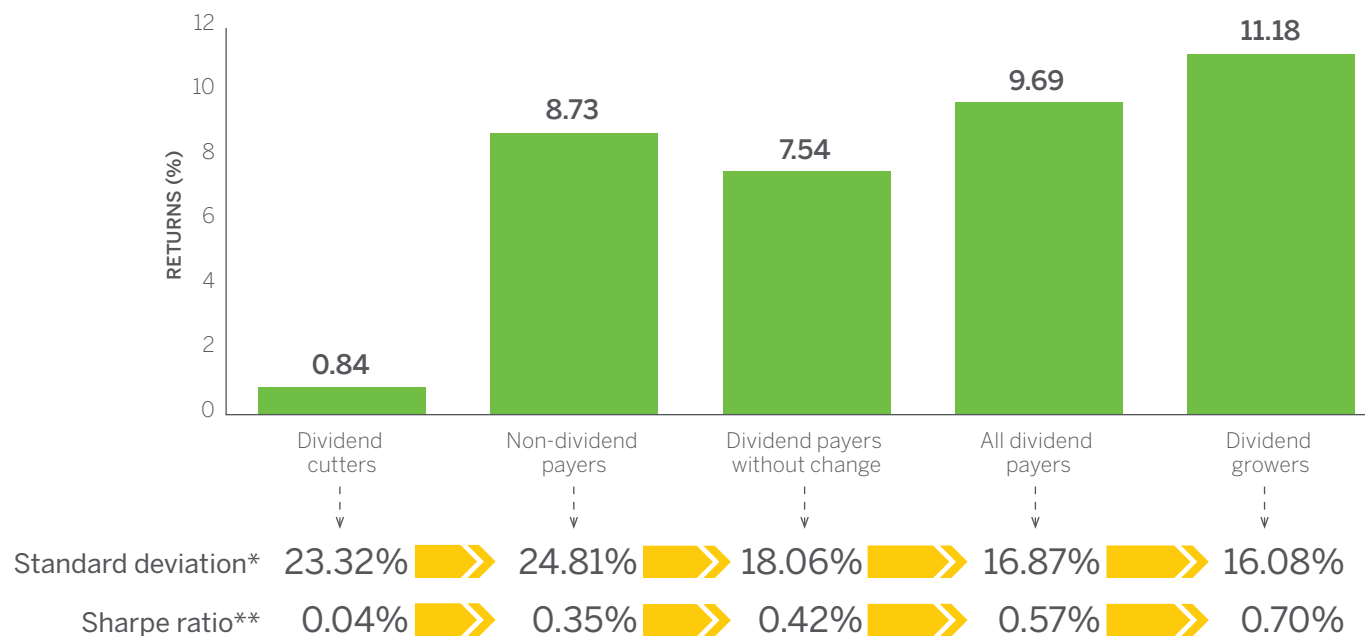
Investing in companies with accelerating dividends—as opposed to those that simply offer a high current dividend yield—may prove invaluable in the current environment.

Dividend growers tend to be companies that share several coveted traits

- 1 Strong fundamentals
- 2 A history of profits and growth
- 3 Stable earnings streams
- 4 Accomplished management teams with a confident business outlook
- 5 A demonstrated commitment to shareholders

DIVIDEND GROWERS HISTORICALLY OUTPERFORMED WITH LESS VOLATILITY

Average annual return of S&P 500 constituents by dividend policy, 1990–2019

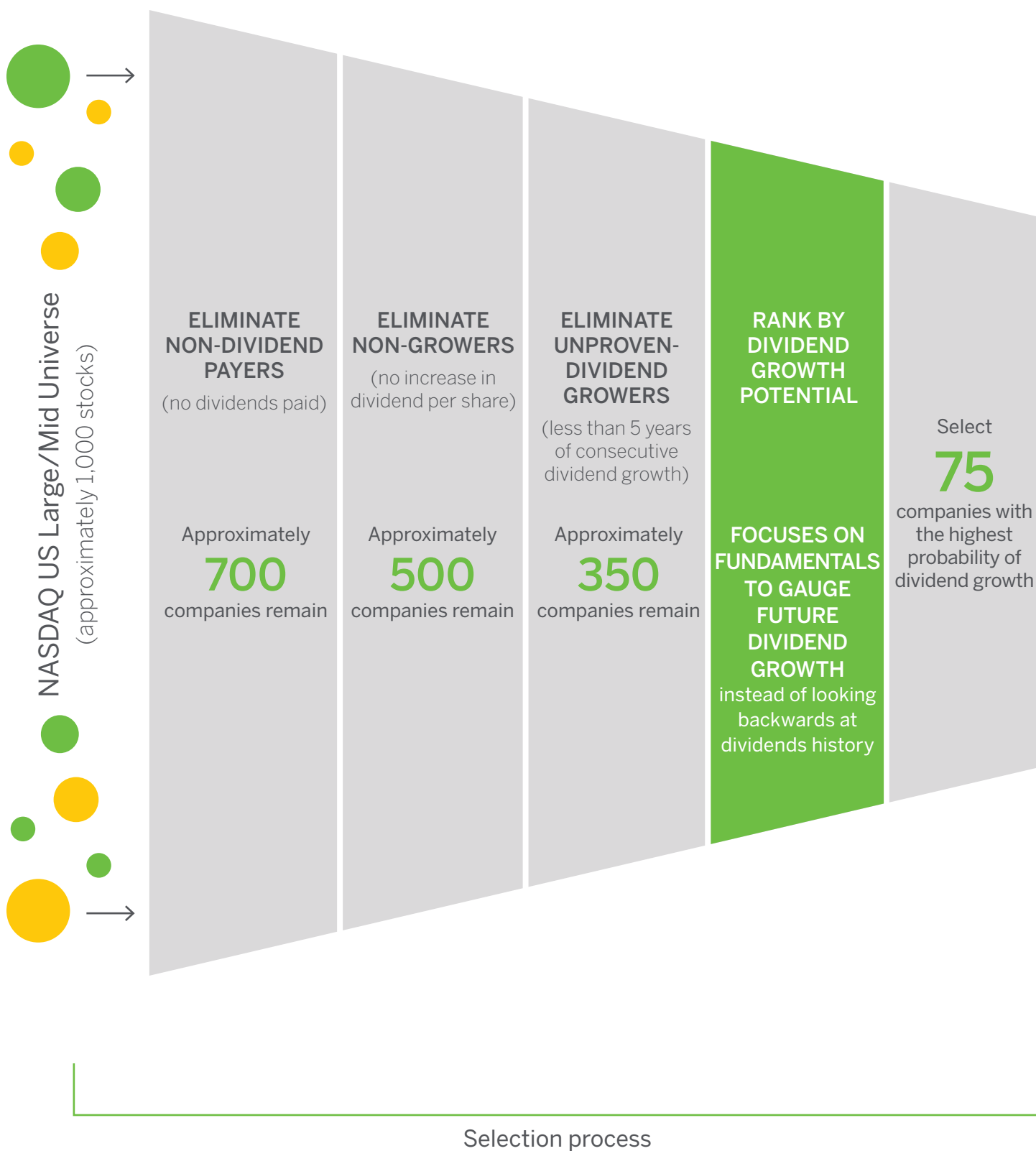


Source: FactSet. As of 12/31/2019.

Past performance does not guarantee future results. Indexes are unmanaged, do not reflect fees, expenses, and are not available for investment.

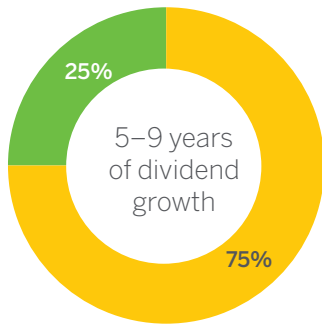
The relative long-term outperformance of dividend growers, along with their lower historical volatility, should be no surprise.

NASDAQ VICTORY DIVIDEND ACCELERATOR INDEX METHODOLOGY



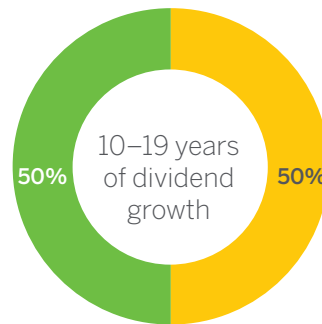
WEIGHTING SCALE

■ Dividend yield¹
■ Earning stability²



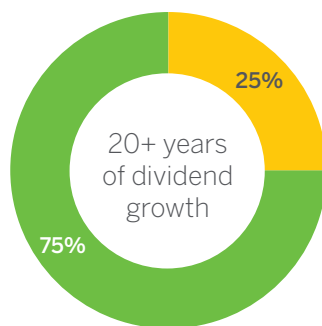
Newcomers / 10 stocks

Emphasizes earnings stability as these companies have a shorter track record of increasing dividends. Includes dividend growers early in their lifecycle.



Established / 15 stocks

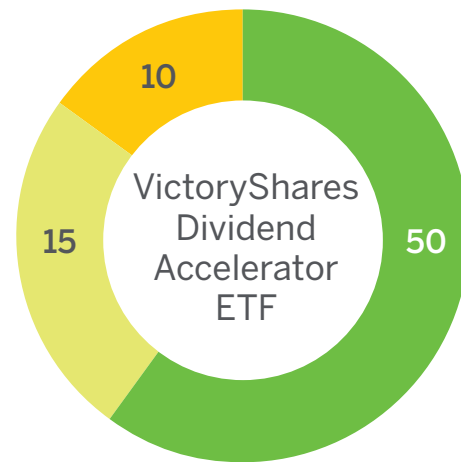
Equally balances dividend yield and earnings stability.



Mature / 50 stocks

Emphasizes dividend yield as these companies have a strong track record of increasing dividends.

A DIVERSE PORTFOLIO OF DIVIDEND GROWERS



VSDA portfolio / 75 stocks

■ NEWCOMERS dividend growers
■ ESTABLISHED dividend growers
■ MATURE dividend growers

Weights of individual holdings are capped at 4%

¹ A dividend yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. Dividend yield is represented as a percentage and can be calculated by dividing the dollar value of dividends paid in a given year per share of stock held by the dollar value of one share of stock.

² Earning stability measures the variability or consistency of a company's net income. It is the predictability of an earnings pattern as measured over a ten-year period using net income and standard deviation.

THE VSDA DIFFERENCE: IT'S FUNDAMENTAL

The VictoryShares Dividend Accelerator ETF (VSDA) uses a rules-based fundamental approach to build a portfolio of dividend-paying companies, prioritizing those with a high probability of increasing dividends in their future. This typically allows for the greater inclusion of companies with healthy long-term prospects earlier in their lifecycle.

VSDA seeks to answer this question: Will a given security increase the amount it pays out in dividends in the coming 12 months relative to the preceding 12 months?



VSDA invests in companies from a large opportunity set, prioritizing those companies identified as having the most potential to increase their dividends.

- 1 Focuses on fundamentals as a gauge for future dividend growth, instead of looking backwards at dividends history
- 2 Includes dividend growers early in their lifecycle
- 3 Weights securities on a balance of yield and earnings stability, which seeks to reduce volatility
- 4 Offers investors the potential to capture dividend income and growth

To learn more about VictoryShares Dividend Accelerator ETF, please consult with your financial advisor or visit www.victoryshares.com

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the Fund can be found in the Fund's prospectus, or, if applicable, the summary prospectus. To obtain a copy, please visit www.victorysharesliterature.com, call your Financial Advisor, or call shareholder services at 866.376.7890. Read the prospectus carefully before investing.

Investing involves risk, including the potential loss of principal. There is no guarantee that dividends will be paid. The value of the equity securities in which the Fund invests may decline in response to developments affecting individual companies and/or general economic conditions.

You may lose money by investing in the Fund. There is no guarantee that the Fund will achieve its objective. The Fund has the same risks as the underlying securities traded on the exchange throughout the day.

***Standard Deviation:** A statistical measure of volatility indicating the risk associated with a return series. Standard deviation of return measures the average deviations of a return series from its mean and is often used as a measure of risk.

****Sharpe Ratio:** A portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. The portfolio's excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, T-bills).

The S&P 500® Index is an unmanaged market-capitalization-weighted index generally considered to be representative of U.S. equity market activity. The index consists of 500 stocks representing leading industries of the U.S. economy. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Indexes are unmanaged and not available for direct investment and do not represent the performance of a single fund or any Victory Funds.

Indexes are unmanaged and it is not possible to invest directly in an index.

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V17.302 // 1Q 2020 VS In Brief: Growing Up (VSDA) IB