

Positive Stock Selection vs. the Benchmark

The Victory Munder Multi-Cap Fund generated a 0.72% total return (Class A shares without sales load) for the quarter, marginally below that of the Russell 3000[®] Index. While stock selection was strong, sector allocation and style factors dragged on relative performance. An underweight to defensive sectors (Utilities, Real Estate, and Consumer Staples) contributed most of the negative sector allocation effect. With regard to style factors, the Fund's positive exposures to beta and momentum were the main detractors. Finally, it was strong returns in Consumer Discretionary and Energy that drove positive stock selection, overcoming some selection challenges in Industrials this quarter.

Top/Bottom Performing Sectors

We had broad-based outperformance within Consumer Discretionary this quarter, but an outsized portion of our positive excess return was generated by our position in Target Corp. (1.4%), the U.S.-based general merchandise retailer with ~1,800 stores nationally. The company is one of the few winners in an otherwise tough retail environment, recently posting a strong beat-and-raise quarter highlighted by strong same-store sales and double-digit EPS growth. In Energy, our positions within the refining industry drove most of our outperformance. Demand and prices for refined products have held up reasonably well in the United States, while cash flow and capital allocation stability also improve the attractiveness of the group relative to other Energy industries. At the same time, weakening global growth continues to weigh on the demand outlook for crude oil, and we have generally seen disappointing production results coupled with higher-than-expected capex spending within the exploration & production space.

Selection in Industrials was challenged this quarter, with most of our underperformance related to our position in Comfort Systems (0.0%), a business services provider focused on HVAC, fire protection, electrical systems, and plumbing. The company reported a disappointing quarter and reset revenue and gross margin expectations. Given the challenging manufacturing backdrop (affecting the company's largest end market), coupled with weak Architecture Billings Index (ABI) readings, we believe business momentum will be challenged over the near term and exited our position.

Top/Bottom Performing Stocks

On an individual basis, the Fund's top-performing stocks in the third quarter included Cabot Microelectronics (0.5%), a leading global supplier of chemicals (polishing slurries) and equipment (CMP pads) used in chemical mechanical planarization (i.e., increasing the flatness or planarity of the surface of a semiconductor) during semiconductor manufacturing, and Target Corp., discussed earlier. Cabot shares traded higher (along with other semiconductor capital equipment names) as investors speculate on a reacceleration in semiconductor capex due to both technology transitions and cyclical factors (improving cloud/data center demand, normalized inventory levels).

Two of our weakest stocks this quarter were Comfort Systems, discussed earlier, and Medifast, Inc. (1.1%), a manufacturer and distributor of health products and programs including weight loss/

weight management plan OPTAVIA. Despite reporting a beat-and-raise quarter, Medifast shares underperformed after management gave disappointing 3Q guidance. Importantly, we believe shares are being unduly punished as 1) full-year guidance was increased, and 2) third quarter margins are being impacted by higher convention spend (a reflection of business success) and temporary costs associated with an ERP implementation.

Positioning/Outlook

At quarter end, the Fund had overweight allocations to the Technology, Consumer Discretionary, and Communication Services sectors. Within Technology, our largest active industry weights are in system software, distribution, and data processing. In Consumer Discretionary, our biggest active weights are in automotive retail, general merchandise retail, and housing. In Communication Services we have large overweights in interactive media and wireless telecommunications. We maintained underweight allocations to the Utilities, Health Care, Real Estate, and Materials sectors, as well as a more modest underweight in Financials. Overall, the style had positive exposure to growth, earnings yield, and highly profitable companies.

The Victory Munder Multi-Cap Fund continues to focus on companies that we believe have superior earnings growth, return on invested capital, and positive earnings/price momentum combined with a reasonable valuation over a wide spectrum of market capitalizations. We are confident that this combination of characteristics positions the Fund for strong competitive performance. These are the characteristics that have historically contributed to the Fund's successful long-term record, and we firmly believe they will continue to serve our investors well.

Top 5 Contributors (%)	
Apple Inc.	0.53
Target Corporation	0.37
Alphabet Inc. Class A	0.34
Asbury Automotive Group, Inc.	0.25
Home Depot, Inc.	0.22
Top 5 Detractors (%)	
Comfort Systems USA, Inc.	-0.27
Amazon.com, Inc.	-0.25
Anthem, Inc.	-0.24
Cisco Systems, Inc.	-0.21
Facebook, Inc. Class A	-0.20

Source: FactSet.

Top 10 Holdings	Sector
Microsoft Corporation	Information Technology
Apple Inc.	Information Technology
Alphabet Inc. Class A	Communication Services
Facebook, Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
Comcast Corporation Class A	Communication Services
Lockheed Martin Corporation	Industrials
AbbVie, Inc.	Health Care
CVS Health Corporation	Health Care
CDW Corp.	Information Technology
Total % of Portfolio	28.17%

ANNUALIZED RETURNS

Investment Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Expense Ratio		
							Since Inception	Gross Net	
Class A, without load	0.72	16.93	-1.58	10.26	7.86	10.99	9.18	1.36	1.36
Class A, with max. sales load (5.75%)	-5.06	10.19	-7.24	8.11	6.60	10.33	8.90	1.36	1.36
Russell 3000® Index	1.16	20.09	2.92	12.83	10.44	13.08	—		
Russell 3000® Growth Index	1.10	22.75	2.70	16.37	13.07	14.74	—		

Source: StatPro.

*Since inception results are as of the Fund's inception date, August 19, 1996

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal 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 please visit www.vcm.com. Expense Ratios shown are as of the Fund's current prospectus. Please note: High, double-digit and/or triple-digit returns are highly unusual and cannot be sustained. Investors should be aware that such returns were primarily achieved during favorable market conditions.

Risks Associated with Investing in the Fund: There is no guarantee that the Fund will achieve its objective. All investing involves risk, including potential loss of principal. A significant portion of the Fund's assets is likely to be invested in the information technology sector. In addition, the Fund may concentrate its investments in Internet-related securities. Investments in both of these areas tend to be relatively volatile. The Fund is therefore subject to higher market risk and price volatility than funds with more broadly diversified investments. The Fund is able to invest in smaller company stocks, which are more volatile and less liquid than larger, more established company securities. The Fund also may invest up to 25% of its assets in foreign securities, which involve additional risks due to currency fluctuations, economic and political conditions, and differences in financial reporting standards.

Indexes Defined The Russell 3000® Index is an index of the top 3,000 U.S. stocks by market capitalization covering 98% of the U.S. equity investable universe. The Russell 3000® Growth Index measures the performance of those Russell 3000® Index companies with lower composite value scores. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction. You cannot invest directly in an index, securities in the Fund will not match those in an index, and performance of the Fund will differ. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's returns.

Active return is the percentage gain or loss of an investment relative to the investment's benchmark.

Fund holdings mentioned in the Quarterly Commentary are as of most recent quarter end and the percentages shown are based on net assets as of that date. 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 contributors and detractors mentioned are presented to illustrate examples of the Fund's investments and may not be representative of the Fund's current or future investments. Percentages shown are for the most recent quarter.

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An investor should consider the fund's investment objectives, risks and charges and expenses carefully before investing or sending money. This and other important information about the investment company can be found in the fund's prospectus. To obtain a prospectus, please call 1-800-539-FUND or visit www.vcm.com. Please read the prospectus carefully before investing.

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