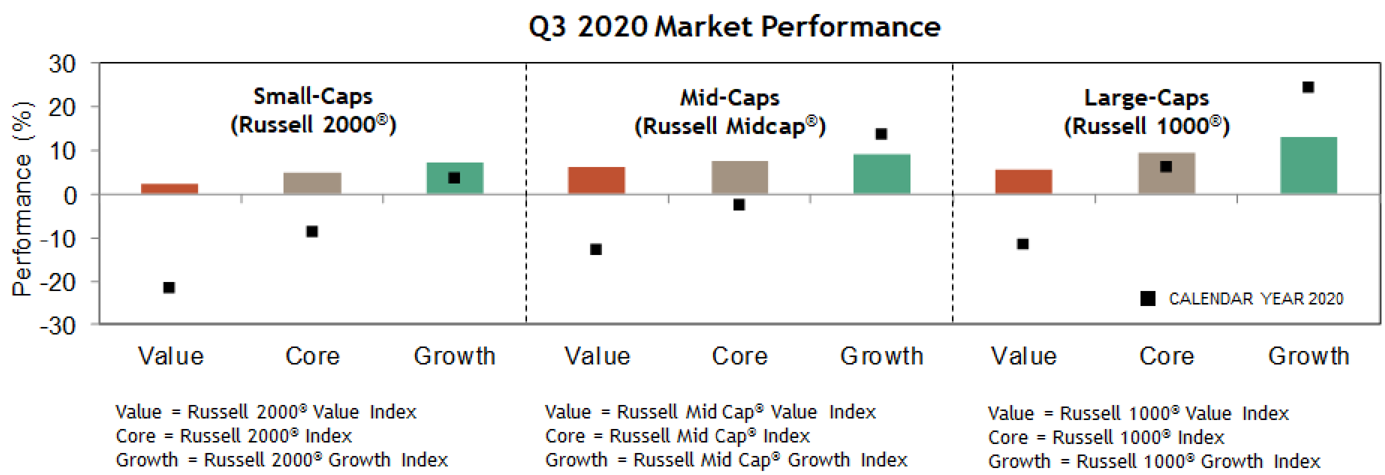
VICTORY RS SELECT GROWTH FUND QUARTERLY COMMENTARY

As of September 30, 2020

Quarterly Highlights

- The Victory RS Select Growth Fund (Class A Shares, without sales charge) returned 5.75% for the three months ended September 30, 2020, underperforming the Russell 2500™ Growth Index,[1] which returned 9.37%.
- Fund performance relative to the benchmark was negatively impacted by stock selection in the Consumer Discretionary, Health Care, Technology, and Energy sectors; underperformance was partially offset by stock selection within the Producer Durables sector.
- This period's strong absolute performance reflects a continued bounce back from the depressed market levels experienced in the first quarter and the expectation that the numerous challenges faced by consumers and businesses (given the spread and reaction to the COVID-19 virus) are improving.
- We believe the massive "test run" of technology-aided solutions as people attempt to work, shop, and communicate from home will speed up the adoption of a number of new technologies at the expense of legacy products and services.
- Small- and mid-cap growth stocks have outperformed their small- and mid-cap value counterparts over 1, 3, 5, 10, and 15 years, per Russell.

Market Performance / Fundamentals Snapshot



Market Commentary

Following a sharp market rebound in the second quarter after being pummeled during the first quarter by SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2, the virus responsible for COVID-19), U.S. equity markets continued to move sharply higher to start the third quarter before taking a breather in September. The $2 trillion of fiscal stimulus helped keep businesses open, people in their homes, and important services funded during the severe downtown, while the Federal Reserve helped stabilize markets by implementing the largest scale monetary stimulus on record. This appears to have helped bridge the pre-pandemic economy to what is slowly becoming a new "normal" economic environment, highlighted by markedly improved employment data and retail sales hitting an all-time high in August. Stocks have been further supported by the expectation of additional fiscal stimulus, with expectations that a second round would include more direct payments, unemployment insurance, additional small business loans, and aid to airlines. Similar measures convinced investors who had fled risk assets in March *en masse* to re-enter markets in the spring and summer, and appeared to spur segments of the U.S. equity market to new highs in August before taking a pause in September. Contrary to some skeptical pundits, we view the strong performance, especially within technology companies, as being justified by their relative fundamentals, as the economic and business impact of the coronavirus has clearly not impacted all companies similarly. It's a bifurcated market whereby the "haves" are likely to continue taking market share as the "have-nots" struggle in the aftermath.

Growth-oriented stocks, as measured by the Russell 3000® Growth Index,[2] were up 12.86% during the quarter, significantly outperforming value-oriented stocks, as measured by the Russell 3000® Value Index,[3] which was up just 5.42% during the quarter. The relative outperformance of growth stocks was supported by what appear to be much stronger underlying fundamentals, as technology-oriented growth companies have not only been insulated from the slowdown relative to more traditional value companies in the industrial, financial, and material sectors, but have excelled. In effect, consumers and businesses are conducting a massive "test run" on technology-aided solutions as people attempt to work, shop, and communicate from home, which may speed up the adoption of a number of new technologies and other software solutions at the expense of legacy products and services.

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Small-cap, mid-cap, and large-cap stocks all performed well during the quarter, as measured by the Russell family of indices, with the Russell 2000® Index[4] returning 4.93%, the Russell Midcap® Index[5] returning 7.46%, and the Russell 1000® Index[6] returning 9.47%. Meanwhile, the Russell 1000® Growth Index[7] was the best performing U.S. equity style, up 13.22% during the third quarter, reflecting the view that large-cap technology companies are well positioned in this environment. From here, we believe the market will further differentiate between pockets of the economy that are materially better off than others given the ability of workers to remain productive remotely. Demand for the products and services of these companies that facilitate this productivity looks to remain strong. In fact, going forward we believe technology-oriented companies are better positioned to endure, while those dependent on global growth or focused on the consumer in places where individuals would need to congregate will be slower to recover.

Investment Strategy

The Victory RS Select Growth Fund (the “Fund”) is guided by our philosophy that sustainable earnings growth drives long-term share price appreciation. Our investment process is focused on finding innovative companies whose core business can grow from a small- or mid-cap company to a mid- or large-cap company over time.

The team seeks companies with products and services that are growing organically, creating new markets or taking market share from existing companies. We are focused on finding companies whose business values can appreciate regardless of the underlying market environment. The Fund is led by the team’s chief investment officer, Scott Tracy, along with portfolio managers Steve Bishop, Melissa Chadwick-Dunn, Chris Clark, and Paul Leung. The five co-portfolio managers, as well as three research analysts, serve as sector specialists and are supported by three associates, drawing on strong relationships with industry experts and company management teams.

Together, we conduct over 2,000 company meetings each year through in-person meetings, conference calls, and trade shows. We then back up our findings through discussions with industry leaders and third-party sources. We are long-term investors and seek to establish definable “anchor points,” which are quantifiable metrics that help determine a company’s potential long-term growth trajectory. Anchor points arise from our analysis of a company’s long-term capabilities and performance goals over three to five years. These long-term anchor points serve as guideposts to help us measure a company’s progress as it executes its business strategy, regardless of what is taking place in the overall market, and help prevent distraction caused by short-term stock price movements and inevitable market volatility.

Performance Review

The Victory RS Select Growth Fund (Class A Shares, without sales charge) returned 5.75% for the three months ended September 30, 2020, underperforming the Russell 2500™ Growth Index,[1] which returned 9.37%. Fund performance relative to the benchmark was negatively impacted by stock selection in the Consumer Discretionary, Health Care, Technology, and Energy sectors; underperformance was partially offset by stock selection within the Producer Durables sector.

Top Detracting Sector: Consumer Discretionary

Within the Consumer Discretionary sector, the largest driver of relative underperformance was within Consumer Services, driven in part by Education holding Strategic Education, Inc. (0.00% ending weight). Strategic Education is an education company that offers its programs both online and on-site, with 74 campuses across 16 states and the District of Columbia, with 83% of program seats online. We own the company given the company’s new campus growth, technology, and favorable regulatory environment. The company was under pressure in the latest quarter given weaker than expected earnings, as well as lower guidance, given the sensitivity of their undergraduate population to employment rates. Despite the view that the company has a favorable longer-term opportunity given trends for online education, we decided to move on from the name and will keep an eye on their ability to repair their fundamental momentum going forward.

Top Contributing Sector: Producer Durables

The largest contributor to outperformance within Producer Durables was Power Transmission holding Generac Holdings Inc. (1.76% ending weight). Generac designs, manufactures, and sells power generation equipment, energy storage systems, and other power products for the residential market and for light commercial and industrial markets worldwide. We own the stock given the company’s evolving business model that has shifted the company as a play on natural disasters to a more holistic power storage and generation company through their strategic acquisitions. We believe the company has a strong organic growth runway given the company’s vast distribution network and large underpenetrated total addressable market. The company performed exceptionally well in the most recent quarter given strong results that beat expectations for sales and earnings, which were further supported by another year of headline-inducing fires throughout California and the Pacific Northwest, which has led to further power blackouts and underscores the need for the company’s generators.

Market and Strategy Outlook

Given the outsized impact of the virus globally, we believe investors should expect all companies to feel some level of direct and secondary economic effects. Thus, we expect there to be continued volatility in equity markets, which we feel will create an abundance of opportunities across sectors. We do not have a clear view or projection as to how large or prolonged the impact from the coronavirus (both direct and indirect) will be given the uncertainty regarding its spread, economic impact, increased politicization, and the potential scale of incremental fiscal and monetary stimulus not yet announced, but we believe there are clear pockets of the economy that have been better positioned and will continue to be positioned better than others given the ability of their workers to remain productive (remotely or on-site) and end-customer demand that is likely to remain relatively strong for their products and services.

In this challenging period, we continue to prefer companies with strong balance sheets, healthy cash flows, and/or what we view to be long-term growth candidates supported by unique competitive advantages and attractive market positioning. We remain as committed as ever to disciplined risk management and spend extensive time speaking with companies and look forward to once again visiting companies in person and seeing their operations from the ground up. We stress-test every investment we own, even as we maintain close contact with company managers, suppliers, and customers in our efforts to closely monitor each company's progress relative to our anchor points. We combine these efforts with our own financial modeling and risk-management tools designed to capture market upside while attempting to minimize downside risks. Working cohesively as a team helps us identify visionary and disciplined companies that we believe will be able to tap new markets and grow their revenues at a healthy pace, regardless of the environment.

In this specific environment, we will focus further on companies with flexible business models that offer innovative products and services that will take market share from legacy companies that will be more strained by the challenging economic conditions. Now is when an active approach should shine. Specifically, our "farm team" approach identifies and monitors premier companies within each relative index, but then waits for a favorable price. This should allow us to upgrade the portfolio to our very best ideas given the current attractive valuations. It is rare that we can own our full "wish list" roster of companies that we have already analyzed thoroughly and for which we have weighed the asymmetric upside-to-downside risk. We are confident that our process will allow us to take advantage of the current environment and will pay off handsomely when markets eventually begin to normalize.

Thank you for your continued investment.

D. Scott Tracy, CFA	Steve Bishop	Melissa Chadwick-Dunn	Chris Clark, CFA	Paul Leung, CFA
CIO, Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager	Co-Portfolio Manager

Sector Allocation[8]

As of September 30, 2020

Sector	% of Portfolio
Technology	32.9%
Health Care	28.8%
Consumer Discretionary	12.7%
Producer Durables	9.0%
Financial Services	5.7%
Consumer Staples	4.0%
Materials & Processing	3.8%
Utilities	0.9%
Energy	0.7%
[Cash]	1.5%

Top 10 Holdings[9]

As of September 30, 2020

Holding	% of Portfolio
Horizon Therapeutics PLC	4.86%
RingCentral, Inc. Class A	4.78%
DocuSign, Inc.	3.20%
Black Knight, Inc.	2.68%
Exact Sciences Corporation	2.65%
Dynatrace, Inc.	2.40%
Halozyme Therapeutics, Inc.	2.34%
Neurocrine Biosciences, Inc.	2.33%
Advanced Drainage Systems, Inc.	2.28%
Mercury Systems, Inc.	2.26%

Performance

Average Annual Returns as of September 30, 2020

Victory RS Select Growth Fund (Class A – RSDGX)	Third Quarter 2020	1-Year	3-Year	5-Year	10-Year	Since Inception (8/1/96)
without sales charge	5.75%	21.45%	13.13%	12.06%	13.36%	11.22%
with maximum sales charge (5.75%)	-0.34%	14.46%	10.92%	10.74%	12.69%	10.95%
Russell 2500™ Growth Index[1]	9.37%	23.37%	13.36%	14.19%	14.06%	9.18%
Russell 2000® Growth Index[10]	7.16%	15.71%	8.18%	11.42%	12.34%	7.39%

Returns include reinvestment of dividends and capital gains. Performance returns for periods of less than one year are not annualized. Please keep in mind that any high double-digit returns are highly unusual and cannot be sustained.

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 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. Investment returns reflect total fund operating expenses, net of all fees, waivers, and/or expense reimbursements.

Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. The Fund's total gross/net annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.52%/1.40%. The Adviser has contractually agreed to waive a portion of its management fee and/or reimburse certain expenses through at least April 30, 2021. The Adviser is permitted to recoup advisory fees waived and expenses reimbursed by it for up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limits in effect at the time of the original waiver or expense reimbursement and at the time of recoupment or reimbursement. This agreement may only be terminated by the Fund's Board of Trustees.

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 investment company can be found in the fund's prospectus, or, if available, the summary prospectus. To obtain a copy, visit www.vcm.com.

Please read the prospectus carefully before investing.

All investing involves risk, including potential loss of principal. There is no guarantee that the Fund will achieve its objective. Investments in small and mid-size companies can involve risks such as less publicly available information, higher volatility, and less liquidity than larger companies. Narrowly focused investment strategies can be subject to greater market fluctuation. Overweighting investments in certain sectors or industries increases the risk of loss due to general declines in the prices of stocks in those sectors or industries.

Any discussions of specific securities should not be considered a recommendation to buy or sell those securities. Fund holdings will vary. Except as otherwise specifically stated, all information and portfolio manager commentary, including portfolio security positions, are as of September 30, 2020.

1 The Russell 2500™ Growth Index measures the performance of those Russell 2500™ companies with higher price-to-book ratios and higher forecasted growth values. Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Fund, the index does not incur fees or expenses.

2 The Russell 3000® Growth Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 3000® Index (which consists of the 3,000 largest U.S. companies based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

3 The Russell 3000® Value Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 3000® Index (which consists of the 3,000 largest U.S. companies based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

4 The Russell 2000® Index is an unmanaged market-capitalization-weighted index that measures the performance of the 2,000 smallest-cap companies in the Russell 3000® Index, which is made up of 3,000 of the largest U.S. stocks.

5 The Russell Midcap® Index is an unmanaged market-capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000® Index, which consists of the 1,000 largest U.S. companies based on total market capitalization.

6 The Russell 1000® Index is an unmanaged market-capitalization-weighted index that measures the performance of the 1,000 largest U.S.-traded stocks.

7 The Russell 1000® Growth Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 1000® Index (which consists of the 1,000 largest U.S. companies based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values. Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Fund, the index does not incur fees and expenses.

8 The Fund's holdings are allocated to each sector based on the Russell Global Sectors Standard (RGS). If a holding is not classified by Russell, it is assigned a Russell designation by RS Investments. Cash includes short-term investments and net other assets and liabilities.

9 Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.

10 The Russell 2000® Growth Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 2000® Index with higher price-to-book ratios and higher forecasted growth values. (The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Fund, the index does not incur fees and expenses.

The Funds are distributed by Victory Capital Services, Inc., member FINRA, an affiliate of Victory Capital Management Inc.

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