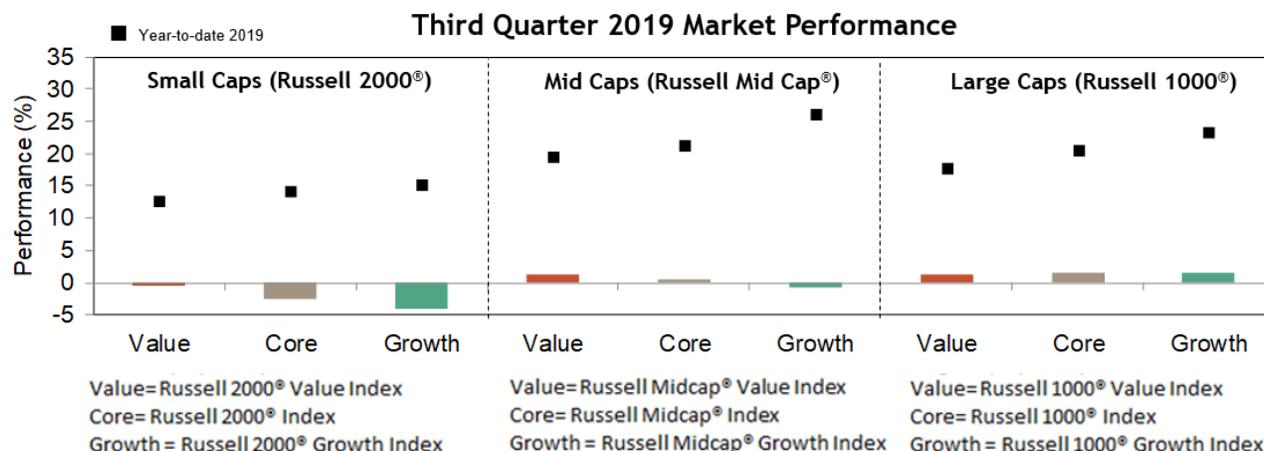


Quarterly Highlights

- The Victory RS Small Cap Growth Fund (Class A Shares) returned -7.38% for the three months ended September 30, 2019, underperforming the Russell 2000® Growth Index,¹ which returned -4.17%. The Fund continues to outperform its index for the year-to-date time frame, up 21.65% relative to the 15.34% return for the Russell 2000® Growth Index.
- Fund performance relative to the benchmark was negatively impacted by stock selection in the Health Care, Financial Services, Producer Durables, and Consumer Discretionary sectors; underperformance was partially offset by outperformance within the Technology and Materials & Processing sectors.
- The Russell 2000® Growth Index experienced challenging results in the third quarter, following a strong bounce back in the first half of the year from a tough Q4 2018.
- Strong earnings and a supportive domestic macro environment drive our positive outlook for the category, while valuations have improved further relative to history.
- Small-cap growth stocks have outperformed their small-cap value counterparts over 3, 5, 10, and 15 years, per Russell.

Market Performance / Fundamentals Snapshot



Market Commentary

U.S. equity market performance was mixed in the third quarter of 2019, with the broad Russell 3000® Index² registering gains of approximately 1.16%. The move higher supports our contention that underlying fundamentals can continue to drive performance despite the political rhetoric and headline fears that often capture the attention of investors. Growth-oriented stocks, as measured by the Russell 3000® Growth Index,³ were up 1.10%, underperforming value-oriented stocks, as measured by the Russell 3000® Value Index,⁴ which increased 1.23% during the quarter. The performance represents the 15th quarter in the last 16 that returns of the Russell 3000® Growth Index have been positive. Mid- and large-cap stocks outperformed small-cap stocks during the quarter, as measured by the Russell family of indices, a continuation of the trend seen since the beginning of 2018. Meanwhile, large-cap growth-versus-value outperformance continued during the third quarter of 2019 as well, and growth has now outperformed value across market caps over 3-, 5-, 10-, 15-year, and even a 30-year time frame.

Broader returns were mixed among U.S. equity styles, as large-cap stocks delivered positive returns, with the Russell 1000® Index⁵ returning 1.42%, while small-cap stocks disappointed with a -2.40% return for the Russell 2000® Index.⁶ We believe this reflects the shorter-term preference by investors for the perceived stability of larger-cap bellwether companies given uncertainty surrounding reduced fiscal stimulus and mixed forecasts for global growth. Despite this consensus, we continue to find attractive fundamentals among companies across market caps, while the relative valuation of small-cap stocks, as measured by forward price-to-earnings, is now at decade-wide attractive levels relative to large-cap stocks.

We expect the market to benefit from an accommodative Fed that is once again in easing mode, and our continued base case is that there will be a constructive resolution to ongoing trade disputes. The relative strength in both the U.S. economy and labor market, as well as reduced expectations for inflation to impact monetary policy, have reinforced our view that earnings for growth stocks will remain attractive. This supports our view that the U.S. equity

market can continue to rise despite headline concerns for U.S. growth, as gross domestic product (GDP) increased 2.3% year-over-year the second quarter, the 11th consecutive quarterly period of greater than 2% year-over-year growth. Looking ahead to the remainder of 2019 and 2020, economic growth looks to remain steady and, coupled with the continuation of the longest job growth streak in history, supports our constructive outlook for U.S. growth stocks.

Investment Strategy

The Victory RS Small Cap 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-cap company to a mid- or even 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 four 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 Small Cap Growth Fund (Class A Shares) returned -7.38% for the three months ended September 30, 2019, underperforming the Russell 2000® Growth Index,¹ which returned -4.17%. The Fund continues to outperform its index for the year-to-date time frame, up 21.65% relative to the 15.34% return for the Russell 2000® Growth Index. Fund performance relative to the benchmark was negatively impacted by stock selection in the Health Care, Financial Services, Producer Durables, and Consumer Discretionary sectors; underperformance was partially offset by outperformance within the Technology and Materials & Processing sectors.

Top Contributing Sector: Technology

Within the Technology sector, the largest driver of relative outperformance was Electronics holding Acacia Communications, Inc. (1.51% ending weight), a developer of high-speed coherent optical interconnect products. We purchased the stock given that the company appeared to be the most direct way to play the continued high growth in data / optical transport for the data center

interconnect (DCI) and Metro markets, with potential revenue growth of 25% over the next few years given their best-in-class technology. The stock rallied sharply in the most recent quarter following the announced acquisition of the company by Cisco in July for \$70/share, relative to the \$48.06 previous day’s close.

Top Detracting Sector: Health Care

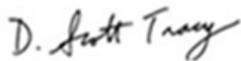
Within the Health Care sector, the largest area of relative underperformance was within Pharmaceuticals & Biotechnology, driven in part by holding GW Pharmaceuticals plc (0.89% ending weight). GW Pharma is a biopharmaceutical company focused on discovering, developing, and commercializing cannabinoid prescription medicines using botanical extracts derived from the cannabis plant. GW Pharma underperformed in the quarter following a short report that questioned the efficacy and safety of their treatment for epilepsy and the potential for softer sales when early adopters of the drug fade. We took a hard look at the underlying analysis in the report and came away unimpressed given the lack of supporting data, as well as the non-medical view that CBD poses a danger to users.

Market and Strategy Outlook

Our focus remains on companies that can grow earnings through innovation and by taking market share, characteristics of small-cap growth stocks. We view the outsized fluctuations in the market over the last year as noise, preferring to focus on how our investments perform relative to the fundamental anchor points that track the progress of our long-term growth stories. Instead of fearing these periods, we prefer to use this heightened volatility to add to some of our favorite investments or to initiate new investments at attractive prices when markets sell off and upgrade outsized winners when markets rally faster than underlying fundamentals. We believe that this environment works to our strengths as stock pickers as we work to uncover companies with high-quality growth stories that now appear to have valuations well below recent levels.

We 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 on the road, 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.

Thank you for your continued investment.



D. Scott Tracy, CFA
CIO, Co-Portfolio Manager



Steve Bishop
Co-Portfolio Manager



Melissa Chadwick-Dunn
Co-Portfolio Manager



Chris Clark, CFA
Co-Portfolio Manager



Paul Leung, CFA
Co-Portfolio Manager

Sector Allocation⁷

As of September 30, 2019

Sector	% of Portfolio
Technology	25.3%
Health Care	24.8%
Producer Durables	13.9%
Consumer Discretionary	13.5%
Financial Services	9.3%
Materials & Processing	6.2%
Consumer Staples	3.9%
Energy	1.3%
Utilities	0.0%
Cash	1.8%

Top 10 Holdings⁸

As of September 30, 2019

Holding	% of Portfolio
Interxion Holding N.V.	2.59%
RingCentral, Inc. Class A	2.40%
Cornerstone Ondemand, Inc.	2.16%
Nomad Foods Ltd.	2.14%
Wix.com Ltd.	2.12%
Euronet Worldwide, Inc.	2.12%
SiteOne Landscape Supply, Inc.	1.99%
Generac Holdings Inc.	1.97%
FirstCash, Inc.	1.88%
Dine Brands Global, Inc.	1.73%

Performance

Average Annual Returns as of September 30, 2019

Victory RS Small Cap Growth Fund (Class A – RSEGX)	Third Quarter 2019	1-Year	3-Year	5-Year	10-Year	Since Inception (11/30/87)
without sales charge	-7.38%	-6.75%	15.81%	11.78%	14.63%	13.13%
with maximum sales charge (5.75%)	-12.71%	-12.11%	13.54%	10.46%	13.95%	12.92%
Morningstar U.S. Fund Small Growth Category ⁹	-4.19%	-7.49%	11.53%	9.62%	12.28%	11.34%
Russell 2000 [®] Growth Index ¹	-4.17%	-9.63%	9.79%	9.08%	12.25%	8.89%

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 1.45%/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, 2020. 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.

Performance may have been meaningfully impacted by investments in initial public offerings (IPOs). There is no guarantee that any positive impact on performance will be repeated or that the Fund will participate in any future IPOs. The prices of IPO securities may fluctuate more than prices of equity securities of companies with longer trading histories. Investing in IPOs entails special risks, including limited operating history of companies, limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company, and high portfolio turnover.

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, 2019.

- 1 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, it does not incur fees and expenses.
- 2 The Russell 3000® Index is an unmanaged market-capitalization-weighted index that measures the performance of the 3,000 largest U.S.-traded stocks.
- 3 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.
- 4 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.
- 5 The Russell 1000® Index is an unmanaged market-capitalization-weighted index that measures the performance of the 1,000 largest U.S.-traded stocks.
- 6 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.
- 7 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.
- 8 Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.
- 9 Morningstar category classifications group funds with similar average holdings statistics over the past three years to help investors and investment professionals make meaningful comparisons between funds and to form reasonable peer group comparisons.

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

Not a Deposit • Not FDIC or NCUA Insured • May Lose Value • No Bank or Credit Union Guarantee

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