

Victory INCORE Fund for Income

Quarterly Fact Sheet

As of September 30, 2019

INVESTMENT OBJECTIVE

The Fund seeks to provide a high level of current income consistent with preservation of shareholders' capital.

INVESTMENT STYLE

Short Government

BENCHMARK

Bloomberg Barclays U.S. 1-5 Year Government Bond Index

INCEPTION DATE

A Shares (IPFIX) 03/26/1999
C Shares (VFFCX) 03/01/2002
I Shares (VFFIX) 03/01/2011
R Shares (GGIFX) 09/16/1987
R6 Shares (VFFRX) 03/2/2015
Y Shares (VFFYX) 01/28/2013

Class I, R, R6 and Y Shares are available only to select investors as described in the Fund's prospectus.

At a Glance:

TARGET HOLDINGS

300 to 700

EXPECTED TURNOVER

40% to 50%

Actual results may vary, and the expectations should not be considered or relied upon as a performance guarantee.

Q3 Results:

ASSETS

\$710.9 million

TOTAL NUMBER OF HOLDINGS

327

MORNINGSTAR RATING™ FOR CLASS A SHARES

OVERALL	3-YEAR	5-YEAR	10-YEAR
★★★★ out of 96	★★★ out of 96	★★★★★ out of 93	★★★★★ out of 70

Morningstar Ratings based on risk-adjusted returns
Morningstar Category: short government

PORTFOLIO TEAM

Heidi L. Adelman
Chief Investment Officer

Harriet R. Uhlir
Portfolio Manager

Investment Performance (%)	ANNUALIZED RETURNS							Expense Ratio	
	QTD	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception	gross	net
A Shares (NAV)	0.44	3.70	5.32	1.15	1.58	2.17	3.55	0.93	0.91
A Shares (MOP)	-1.61	1.57	3.16	0.47	1.17	1.96	3.45	0.93	0.91
I Shares	0.51	3.79	5.48	1.40	1.84	—	1.91	0.64	0.64
Bloomberg Barclays U.S. 1-5 Year Government Bond Index	0.77	3.88	5.69	1.63	1.69	1.68	—		

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, please call 1-800-539-FUND or visit www.vcm.com. Class A Shares MOP performance figures reflect a maximum sales charge of 2.00%. Class I Shares are available only to select investors as described in the Fund's prospectus. Returns include reinvestment of dividends and capital gains.

Fund Summary

The Victory INCORE Fund for Income seeks to provide a high level of current income, consistent with the preservation of investors' capital. Toward this end, we focus on GNMA mortgage loans with above average yield backed by the full faith and credit of the U.S. Government. We believe the bond market in general, and this niche segment in particular, is inherently inefficient due to market segmentation, imperfect information, and over-the-counter trading. This inefficiency creates opportunity which we seek to capitalize on by conducting fundamental, bottom up analysis aimed at identifying valuation anomalies and holdings that are biased toward stability of cash flows due to borrowers who have historically been unable or unwilling to prepay efficiently. Baseline economic and scenario/sensitivity analysis drives the portfolio's U.S. Treasury allocation which serves to manage duration and provide liquidity. Technical analysis of underlying market dynamics, evaluation of broad sector themes, and relative value analysis determine sector weights and yield curve allocation.

Duration Schedule	%
<1 Year	9.7
1 to 3 Years	39.5
3 to 5 Years	50.8
>5 Years	0.0

Quality	%
Full Faith and Credit	100%

GNMA securities are backed by the same full faith and credit guarantee offered by U.S. Treasury securities which is an unconditional commitment to pay interest and principal on debt. This guarantee applies only to the underlying securities in the portfolio and not to the Fund.

Portfolio Allocation	%
GNMA Single Family (Age >10 Yrs)	81.2
GNMA Single Family (Age <10 Yrs)	0.0
GNMA CMOs	4.3
GNMA Multi-Family	0.7
U.S. Treasury Bond	9.1
Cash/Cash equivalents	4.8

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CONTACT

For additional information regarding the Victory Funds, please ask your Financial Advisor or visit vcm.com.

THE ADVISER

The Funds are distributed by Victory Capital Advisers, Inc. ("VCA"), member FINRA and SIPC. Victory Capital Management Inc., an affiliate of VCA, is the investment advisor to the Funds and receives a fee from the Funds for its services.

OTHER VICTORY FUNDS

The Victory Funds offer equity, hybrid and specialty fixed income funds for the retail and institutional markets.

Risk Measures A Shares (5-Years)	
Alpha	-0.20
Beta	1.10
Sharpe Ratio	0.35
R-Squared	90.63

30 Day Standardized Yields (%)		
	subsidized	unsubsidized*
Class A Shares	1.84	1.84
Class C Shares	1.08	1.08
Class I Shares	2.15	2.15
Class R Shares	1.88	1.88
Class R6 Shares	2.16	2.14
Class Y Shares	2.07	1.92

Portfolio Characteristics	Fund
Average Life (Yrs)	3.3
Average Duration (Yrs)	2.7

Net expense ratio reflects the waiver, reimbursement or recoupment, as applicable, contractually agreed to through February 29, 2020. Performance for other share classes will vary. Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year are annualized.

Risks Associated with Investing in the Fund

There is no guarantee that the Fund will achieve its objective. The return of principal in bond funds is not guaranteed. The principal value of a bond falls when interest rates rise and rises when interest rates fall. During periods of rising interest rates, the value of a bond investment is at greater risk than during periods of stable or falling rates. Bond funds have the same interest rate, inflation, reinvestment, credit and prepayment risks associated with the underlying bonds in the portfolio.

Target metrics reflect our stated goals and are not absolute limits as these are affected by various factors like market fluctuations.

Benchmark

Bloomberg Barclays U.S. 1-5 Year Government Bond Index Composed of U.S. Treasuries and Agencies with less than five years to maturity. This Index does not include the effect of expenses, is not representative of any specific fund or product and cannot be invested in directly.

Risk Measures Defined

Source: Zephyr StyleADVISOR. Alpha is a risk (beta adjusted) measurement of the difference between a fund's actual returns and what it might be expected to deliver based on its level of risk. Beta measures a fund's sensitivity to market movements. Sharpe Ratio is calculated by using standard deviation and excess return to determine reward per unit of risk. R-squared is a statistical measurement that determines the proportion of the return on a specific portfolio of securities, that can be explained by variations in the stock market, as measured by a benchmark index.

Characteristics Defined

Source: Victory Capital Management Inc. Fixed Income Team. Average Life: The weighted average life (WAL) or number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. Once calculated, WAL tells how many years it will take to pay half of the outstanding principal. Average Duration: A weighted average of the maturity of all the income

streams from a bond or portfolio of bonds. Generally, the higher the duration, the more sensitive the bond or bond portfolio to changes in interest rates.

30 Day Standardized Yield

A standard yield calculation developed by the SEC for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield". Subsidized 30-Day SEC Yield is based on a 30-day period ending on the last day of the previous month and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. If the fund expenses have waivers, the subsidized yield is based on the net expenses. Unsubsidized 30-Day SEC Yield is based on total expenses of the fund.

Fund Holdings and Duration Schedule

Fund holdings and duration are as of quarter end and may change at any time.

Morningstar Disclosure

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all relevant sales charges) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods - 3, 5, and 10 years, and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They are a tool for identifying funds worthy of further research, but should not be considered buy or sell recommendations. During the period shown, the Fund has been subject to expense fee waivers and reimbursements that affected return. Such waivers and reimbursement may be terminated in the future. Morningstar is a registered trademark of Morningstar, Inc. Past performance does not guarantee future results.

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Shares of the Fund may be subject to sales charges and other fees. 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.victoryfunds.com. Please read the prospectus carefully before investing.

For more information about separate accounts and mutual funds, contact Victory Capital Management at 800.991.8191 or visit vcm.com.

