

Victory INCORE Investment Grade Convertible Fund

A VICTORY CAPITAL® INVESTMENT FRANCHISE

INCORE | CAPITAL MANAGEMENTSM

INDEPENDENT • COMPREHENSIVE • REPEATABLE

As of September 30, 2018

Quarterly Fact Sheet



2018
THOMSON REUTERS
LIPPER FUND AWARDS
UNITED STATES

INVESTMENT OBJECTIVE

The Fund seeks to provide a high level of current income together with long-term capital appreciation.

INVESTMENT STYLE

Convertibles

BENCHMARKS

Primary: ICE BofAML All Investment Grade US Convertible 5% Constrained (VX5C) Index

Secondary: ICE BofAML All Investment Grade US Convertibles (VXA1) Index

INCEPTION DATE

A Shares (SBFCX) 04/14/1988

I Shares (VICIX) 08/31/2007

At a Glance:

TARGET HOLDINGS

45 to 60

EXPECTED TRACKING ERROR

2% to 4%

EXPECTED TURNOVER

30% to 50%

Q3 RESULTS

ASSETS

\$172.4 million

TOTAL NUMBER OF HOLDINGS

50

PORTFOLIO TEAM

James K. Kaesberg, CFA
Lead Portfolio Manager

Mark Vucenovic
Senior Portfolio Manager

Investment Performance (%)	ANNUALIZED RETURNS							Expense Ratio	
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception	gross	net
A Shares (NAV)	2.11	4.40	8.25	10.58	8.70	8.27	7.64	1.30	1.30
A Shares (MOP)	0.09	2.30	6.12	9.84	8.26	8.05	7.57	1.30	1.30
I Shares	2.18	4.65	8.70	11.01	9.15	8.70	5.63	0.94	0.94
ICE BofAML Investment Grade US Convertible 5% Constrained (VX5C) Index	2.43	5.22	8.97	12.71	10.56	—	—		
ICE BofAML All Investment Grade US Convertibles (VXA1) Index	2.47	6.76	11.71	15.40	12.74	10.97	—		

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.

Annualized return or average annual return describes the return gained, on average, each year of a multi-year period rather than a cumulative return. Returns are historical and include the change in share price and reinvestment of dividends and capital gains distributions, if any. Performance for QTR and YTD are cumulative. Class A Shares MOP performance figures reflect a maximum sales charge of 2.00%. A contingent deferred sales charge of 0.75% may be imposed on Class A shares with respect to purchases of \$1,000,000 or more that are redeemed within 12 months of purchase. Class I Shares are available only to select investors as described in the Fund's prospectus. Please read the Prospectus for information on the eligibility requirements to purchase Class I Shares.

Strategy Summary

We screen all US convertible securities including bonds and preferred securities. The objective is to achieve superior returns while minimizing risk by identifying and remaining fully invested in convertible securities which possess strong upside potential from the equity element and solid total return potential from the bond element. The convertible valuation process focuses on the intrinsic value of the underlying common stock as well as the convertible security itself. Additional risk control is provided by focusing on high credit quality securities and by constructing portfolios that focus on providing balance between the 3 broad categories of convertibles – equity sensitive, total return and defensive.

Sector Diversification	Fund	Benchmark	Top Ten Holdings	%
Consumer Discretionary	5.5	5.0	Anthem, Inc. 2.75% 15-oct-2042	5.0
Consumer Staples	0.0	0.0	Wells Fargo & Company 7.5 % Non Cum Perp Conv Pfd Registered Shs A Series L	4.9
Energy	2.0	0.0	Intel Corporation 3.25% 01-aug-2039	4.9
Financials	23.1	24.0	Red Hat, Inc. 0.25% 01-oct-2019	4.7
Health Care	15.5	11.9	Booking Holdings Inc. 0.35% 15-jun-2020	4.4
Industrials	7.5	7.2	Citrix Systems, Inc. 0.5% 15-apr-2019	4.2
Information Technology	25.6	24.4	Novellus Systems, Inc. 2.625% 15-may-2041	4.1
Materials	3.1	1.2	NextEra Energy Inc Corporate Units Cons of 1 PC + 1/20 Deb-I 1.9.21	4.0
Real Estate	8.2	10.0	Vereit, Inc. 3.75% 15-dec-2020	3.3
Utilities	8.2	16.4	Rpm International Inc. 2.25% 15-dec-2020	3.1
Cash	1.3	0.0		

Fund Composition	Fund %	Portfolio Characteristics	Fund	Benchmark
Convertible Bonds	72.0	Delta	55%	53%
Convertible Preferreds	26.7	Conversion Premium	39%	40%
Common Stock	0.0			
Cash	1.3			

OVERALL MORNINGSTAR RATING™ FOR CLASS A SHARES

3 stars out of 85 funds (for the overall period) in the convertibles fund category. The fund received 3, 4 and 3 stars for the 3-, 5- and 10-year periods out of 85, 64 and 43 funds respectively, based on risk-adjusted returns.

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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	-1.80
Beta	1.01
Sharpe Ratio	1.27
Standard Deviation	6.48

30 Day Standardized Yields

	% subsidized	% unsubsidized
Class A Shares	0.02	0.02
Class I Shares	0.30	0.30

FUND INFORMATION

Share Class	Ticker	Expense Ratio	
		gross	net
A	SBFCX	1.30%	1.30%
I	VICIX	0.94%	0.94%

Class I Shares are available only to select investors as described in the Fund's prospectus.

Risks with Investing: There is no guarantee that the Fund will achieve its objective. The Fund may invest in below-investment-grade securities, sometimes known as "junk bonds." These securities generally offer higher yields than investment-grade securities but carry a higher risk of default and may be considered speculative. Investors should be able to assume the risks of investing in below-investment-grade securities. The return of principal in bond funds is not guaranteed. The principal value of a bond falls when interest rates rise and rise 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. Political and economic risks, along with other factors, could adversely affect the Fund's investments in U.S.-traded foreign companies, ADRs and GDRs.

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

Benchmarks: The ICE BofAML Investment Grade US Convertible 5% Constrained Index (VX5C) Index is a market capitalization-weighted index of domestic corporate convertible securities. Bonds and preferred stocks must be convertible only to common stock, ADRs or cash equivalent and have a market value of at least \$50 million. Composed of Coupon, OID, or zero coupon convertible bonds rated by Moody's and/or S&P with an average rating of Baa3/BBB- or higher. This Index does not include the effect of expenses and is not representative of the Fund and cannot be invested in directly. All positions are capped at 5% of market value.

The ICE BofAML All Investment Grade US Convertibles (VXA1) Index is a market capitalization-weighted index of domestic corporate convertible securities. Bonds and preferred stocks must be convertible only to common stock, ADR's or cash equivalent and have a market value of at least \$50 million. Composed of Coupon, OID, or zero coupon convertible bonds rated by Moody's and/or S&P with an average rating of Baa3/BBB- or higher. This Index does not include the effect of expenses and is not representative of the Fund and cannot be invested in directly.

Risk Measures Defined: The Fund's benchmark is the ICE BofML All Investment Grade US Convertibles (VXA1) Index. Alpha is the excess return of a fund relative to the return of a benchmark index. Beta is a measure of the volatility, or systematic risk, of a security or portfolio relative to the market or a benchmark. Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Standard deviation is a statistical measure of volatility indicating the risk associated with a return series.

Characteristics Defined: Source: Charles River Manager. Delta: The ratio of the change in price of a call option to the change in price of the underlying stock. Conversion Premium: The extent by which the conversion price of a convertible security exceeds the prevailing common stock price at the time the convertible security is issued.

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.

Top Ten Holdings and Sector Diversification: Source: Charles River Manager. The top ten holdings and sector diversification are presented to illustrate examples of the Fund's investments and may not be representative of the Fund's current or future investments. Fund holdings are as of quarter end and may change at any time. Securities mentioned are not intended as investment advice.

Morningstar Disclosure: Often simply called the Star Rating, the Morningstar Rating brings load adjustments, performance (returns) and risk together into one evaluation. To determine a fund's star rating for a given time period (three, five, or 10 years), the fund's risk-adjusted return is plotted on a bell curve: If the fund scores in the top 10% of its category, it receives 5 stars (Highest); if it falls in the next 22.5%, it receives 4 stars (Above Average); a place in the middle 35% earns 3 stars (Average); those lower still, in the next 22.5%, receive 2 stars (Below Average); and the bottom 10% get only 1 star (Lowest). The Overall Morningstar Rating is a weighted average of the available three-, five-, and 10-year ratings.

Thomson Reuters Lipper Fund Awards: Lipper classification averages are calculated with all eligible share classes for each eligible classification. The calculation periods extend over 36, 60 and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five, or 10 years. Victory INCORE Investment Grade Convertible Fund Class I Shares was selected from among 14 funds and 63 share classes in the convertible securities category over five years for the period ending November 30, 2017. For a detailed explanation, please review the Lipper Leaders methodology document on <http://lipperalpha.financial.thomsonreuters.com/lipper/our-methodology/>.

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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.vcm.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.

