

Victory INCORE Investment Grade Convertible Fund

A VICTORY CAPITAL® INVESTMENT FRANCHISE

INCORE | CAPITAL MANAGEMENTSM

INDEPENDENT • COMPREHENSIVE • REPEATABLE

As of September 30, 2019

Quarterly Fact Sheet

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

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

At a Glance:

TARGET HOLDINGS

45 to 60

EXPECTED TRACKING ERROR

2% to 4%

EXPECTED TURNOVER

30% to 50%

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

Q3 Results

ASSETS

\$256.0 million

TOTAL NUMBER OF HOLDINGS

46

MORNINGSTAR RATING™ FOR CLASS A SHARES

OVERALL	3-YEAR	5-YEAR	10-YEAR
★★★★ out of 75	★★★★ out of 75	★★★★ out of 60	★★★ out of 45

Morningstar Ratings based on risk-adjusted returns
Morningstar Category: convertibles

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)	2.48	13.26	8.04	10.65	7.54	8.41	7.65	1.27	1.27
A Shares (MOP)	0.44	11.00	5.87	9.90	7.10	8.19	7.59	1.27	1.27
I Shares	2.62	13.71	8.58	11.12	7.97	8.87	5.87	0.94	0.94
ICE BofAML Investment Grade US Convertible 5% Constrained (VX5C) Index	3.45	16.06	12.61	12.98	10.53	—	—		
Ice BofAML All Investment Grade US Convertibles (VXA1) Index	5.42	17.44	13.69	15.29	12.16	11.29	—		

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%. 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. Returns include reinvestment of dividends and capital gains.

Strategy Summary

We screen all US convertible securities including bonds and preferred securities. The fund invests primarily in securities convertible into common stocks and up to 20% in below investment grade securities. It seeks convertibles 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 management is provided by focusing on credit quality 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	4.6	5.0	Novellus Systems, Inc. 2.625% 15-may-2041	5.3
Consumer Staples	0.0	0.0	Intel Corporation 3.25% 01-aug-2039	5.2
Energy	0.0	0.0	Wells Fargo & Company 7.5 % Non Cum Perp Conv Pfd Registered Shs A Series L	5.1
Financials	26.9	31.7	Anthem, Inc. 2.75% 15-oct-2042	4.9
Health Care	15.8	10.8	Fortive Corporation 0.875% 15-feb-2022	4.4
Industrials	10.1	10.0	Booking Holdings Inc. 0.35% 15-jun-2020	4.2
Information Technology	18.4	15.0	Dominion Energy Inc Corporate Units Cons of 1/10 CCRP Pfd Rg-A + 1 PC Series A	4.1
Materials	0.0	0.0	Illumina, Inc. 0.5% 15-jun-2021	3.9
Real Estate	9.0	7.5	Jpmorgan Chase Financial Co. Llc 0.25% 01-may-2023	3.7
Utilities	12.4	20.0	Vereit, Inc. 3.75% 15-dec-2020	3.7
Cash	2.8	0.0		

Fund Composition	Fund %	Portfolio Characteristics	Fund	Benchmark
Convertible Bonds	72.0	Delta	49%	47%
Convertible Preferreds	25.2	Conversion Premium	34%	31%
Common Stock	0.0			
Cash	2.8			

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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	-3.12
Beta	1.05
Sharpe Ratio	0.90
Standard Deviation	7.28

30 Day Standardized Yields		
	% subsidized	% unsubsidized
Class A Shares	0.31	0.31
Class I Shares	0.82	0.82

Risks with Investing: There is no guarantee that the Fund will achieve its objective. Convertible securities rank senior to the issuer's common stock, but may be subordinate to senior debt obligations. In part, the total return for a convertible security may depend upon the performance of the underlying stock into which it can be converted. Synthetic convertibles may respond differently to market fluctuations than traditional convertible securities. They are also subject to counterparty risk.

Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

High-yield/high-risk bonds, also known as "junk" bonds, involve a greater risk of default and price volatility than U.S. Government and other high quality bonds. High-yield/high-risk bonds can experience sudden and sharp price swings which will affect net asset value.

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.

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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.

