



INVESTMENTS  
A VICTORY CAPITAL® INVESTMENT FRANCHISE

# THE CASE FOR SHORT-TERM BONDS. WHY NOW?

USAA® Short-Term Bond Fund

VictoryShares USAA® Core Short-Term Bond ETF

CLASS A: UASBX | FUND: USSBX | CLASS I: UISBX | CLASS R6: URSBX

TICKER: USTB

Available in either ETF or Mutual Fund, short-term bond strategies can offer income potential while limiting interest rate risk. We've witnessed painful declines in fixed income prices during 2022. But remember, today's higher yield backdrop also increases income potential.

We believe that bonds remain an integral part of any diversified portfolio and can help offset equity market volatility.

USTB  
UASBX | USSBX | UISBX | URSBX

5-Star Overall  
Morningstar Rating™

Based on risk-adjusted performance



Category: Short-Term Bond  
(out of 544 funds) as of September 30, 2022

## THREE KEY TAKEAWAYS

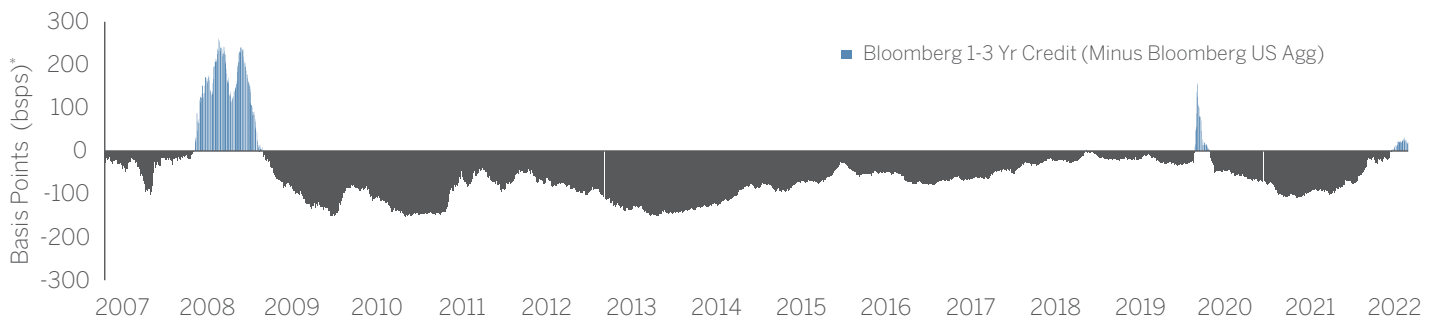
1 Short-term credit maintains an attractive risk-adjusted return profile, and offers attractive current yields.

2 Despite the turmoil of 2022, historical drawdowns have been infrequent and limited in magnitude.

3 An allocation to short-duration credit may be an effective tool to help manage interest rate risk so that it is consistent with your risk tolerance.

## It's an upside-down world

For only the third time in 15 years, the Bloomberg 1-3 Year US Credit Index was offering a higher yield than the Bloomberg US Aggregate Index, as of late 2022. We believe this unusual occurrence bolsters the case for allocating to short-duration fixed income today.



\*One basis point equals one one hundredth of one percent. (100 bps=1%)

Source: Bloomberg

**Past performance does not guarantee future results.** Indexes are unmanaged and not available for direct investment and do not represent the performance of a single fund or any of the Victory Funds. For illustrative purposes only.

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## Why Choose USAA® Investments, A Victory Capital Investment Franchise?

We believe an actively managed approach—one that uses independent credit research to identify relative value and maintain diversification—is the best way to allocate to short-duration strategies in the current environment.

> **A Tradition of Excellence.** Consistent, disciplined, income-focused philosophy honed over 50+ years. Exclusive focus on evaluating, taking and managing credit risk. Deep experience, with the average team member having 24 years experience. Shareholder and client service is core to our culture.

> **We manage each of our funds with a specific duration strategy.** We don't think tactical duration bets consistently add value.

> **We actively tilt portfolios for the current environment,** so it's not uncommon for us to be underweight segments of the market, such as Agency MBS due to their uncertain duration and payment characteristics.

> **We view our core competency as evaluating, taking and managing credit risk.** Our portfolios are built based on our independent research.

## A Proven History

Victory Capital offers short-duration bond strategies as either ETFs or Mutual Funds with a proven track record. The USAA Short-Term Bond Fund and VictoryShares USAA Core Short-Term Bond ETF both received a **5-Star Overall Morningstar Rating™**, based on risk-adjusted performance as of September 2022, out of 544 in the Morningstar Short-Term Bond Category.

**To learn more about our actively managed short-duration ETF and mutual fund, please contact our sales desk at 800.991.8191 or visit [vcm.com](http://vcm.com).**

**Carefully consider a fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other important information, visit [www.vcm.com/prospectus](http://www.vcm.com/prospectus). Read it carefully before investing.**

**All investing involves risk, including the potential loss of principal.**

Risks associated with investing in USAA® Short-Term Bond Fund: In addition to the normal risks associated with investing, fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. Bonds and bond funds will decrease in value as interest rates rise and vice versa. Credit risk refers to the possibility that debt issuers may not be able to make principal and interest payments or may have their debt downgraded by ratings agencies.

High yield securities may be more volatile, be subject to greater levels of credit or default risk, and may be less liquid and more difficult to sell at an advantageous time or price than higher-rated securities of similar maturity.

The value of any investment is also subject to geopolitical risks such as wars, terrorism, environmental disasters, and public health crises; the risk of technology malfunctions or disruptions; and the responses to such events by governments and/or individual companies.

Risks associated with investing in USTB: The Fund has the same risks as the underlying securities traded on the exchange throughout the day. Redemptions are limited, and commissions are often charged on each trade. ETFs may trade at a premium or discount to their net asset value.

Mortgage-backed securities ("MBS") are subject to credit, prepayment and extension risk and may react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain MBS. Derivatives may not work as intended and may result in losses.

Not all share classes are available to all investors.

**Duration** is measure of interest rate sensitivity.

The Bloomberg 1-3 Year Credit Index (BBg US Agg Credit (1-3 Y)) measures the performance of investment grade corporate debt and sovereign, supranational, local authority and non-U.S. agency bonds that have a remaining maturity of at least one year and less than three years.

The Bloomberg U.S. Aggregate Bond Index (BBg US Aggregate) measures the investment grade, USD-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

Victory Capital means Victory Capital Management Inc., the investment adviser of the Victory Capital mutual funds, USAA Mutual Funds and VictoryShares ETFs.

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The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Fund performance used for the rankings reflects certain fee waivers, without which, Morningstar rankings would have been lower and Morningstar ratings may have been lower. As of September 30, 2022, the VictoryShares USAA Core Short-Term Bond ETF received a Morningstar rating of 5 stars for the 3-year time period against 544 Short-Term Bond Funds, respectively.

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