

Market Environment

Emerging market small-cap equities declined in the first quarter of 2025 as uncertainty over President Trump's trade policies weighed on sentiment. For the full quarter, the MSCI Emerging Markets Small Cap Index declined 5.5%. The Trivalent Emerging Markets Small-Capitalization Equity strategy outperformed the benchmark by a wide margin. As is typical, there was wide dispersion among country returns. Thinly traded Hungary rose 31.0% and was the best performing country. Poland's small-cap equities returned 27.3% as GDP growth for the fourth quarter of 2024 exceeded expectations on stronger household consumption. After a weak end to 2024, Brazilian small-caps rebounded 15.1% as inflation has slowed, leading to a potential end to rate hikes, while a new market-friendly candidate has emerged ahead of the 2026 election. China returned 7.5% as retail sales accelerated. Greece rose 11.8% as its economy continues to outgrow the European Union. Thailand fell 20.4% and was the worst-performing country. Economic activity in Thailand slowed during the quarter, and the recent earthquake is expected to result in significant financial losses. Indonesia declined 15.9% following a decline in the rupiah to levels not seen since the 1998 Asian Financial Crisis as investors remain wary of President Prabowo's policies. India fell 13.6% as higher inflation coupled with volatile commodity prices dampened the sentiment for small-cap equities. Turkey declined 10.2% after the government detained high-profile dissidents, and the central bank intervened with hawkish policies to support the lira.

Ten of the 11 economic sectors finished in negative territory, with only the Communication Services sector posting a 1.3% gain. Information Technology fell 11.3% and was the worst-performing sector, as there was a general pullback in shares of AI server supply chain companies. Industrials declined 11.3%, driven by price reversal in some of the most expensive Indian industrial stocks that had been some of the best performers in 2024.

Portfolio Review

Overall security selection was positive and accounted for most of the strategy's outperformance. The strategy's exposure to our proprietary multi-factor model had a positive impact on relative performance, with exposure to value having the most significance. Business momentum had a small positive impact on performance, while exposure to quality was a minimal detraction. Excess returns were generated in two of the three regions and seven of the eleven economic sectors. Notable outperformance came from Industrials, Consumer Staples, and Health Care. Within Industrials, Korean railway and military equipment manufacturer Hyundai Rotem jumped on strong export orders and deliveries to Poland. Brazilian small jet manufacturer Embraer moved higher on strong fourth quarter results as well as new customer orders for business and commercial aircraft. Consumer Staples' relative performance got a boost from two holdings. Chinese skin care manufacturer Giant Biogene rose on a stronger online presence and market enthusiasm for several new products. Chilean hypermarket owner and operator Cencosud S.A advanced after making two acquisitions in Argentina that are

expected to open a new channel for growth. Relative performance was also strong in Health Care and was boosted by a position in PharmaResearch. The Korean biopharmaceutical company reported revenue and operating profit surpassing expectations, driven by strong sales of its flagship product, Rejuran, which ranks among the top skin booster products globally.

On the downside, relative performance in Information Technology and Real Estate trailed the index. Within Information Technology, Taiwanese CPU socket company Lotes fell after results showed a jump in operating expenses. Relative performance in Real Estate was impacted by Ciputra Development and Oberoi Realty. Indonesian real estate company PT Ciputra Development fell as the property sector continues to face macro headwinds relating to debt refinancing challenges, slowing economic growth, currency depreciation, and political uncertainties. Oberoi Realty declined after missing expectations for pre-sales, delayed launches of new projects, and a general risk-off sentiment for Indian equities.

Market Outlook

As the Trump administration implements sweeping tariffs across the world, we believe global equity market turbulence will remain elevated. Upcoming earnings reports and forward guidance will reflect corporate uncertainty. Emerging markets in Asia appear to be some of the most exposed countries, particularly those that rely heavily on exports to the U.S. for economic growth. It remains unclear whether the tariffs will act as a bargaining tool for more bilateral trade agreements or escalate into a wider global trade conflict. While large-scale tariffs can be expected to disrupt global supply chains and hurt productivity, the domestic-oriented nature of emerging market small-caps could provide a respite to the global macro headwinds facing multinationals. The artificial intelligence (AI) sector has cooled in recent months, especially after DeepSeek's groundbreaking AI model raised concerns about the long-term costs of AI development. Despite short-term challenges, AI is expected to continue its transformative role across various industries and will be a crucial long-term driver of productivity and economic growth. Recent Chinese manufacturing data hit a 12-month high and the Chinese government has targeted boosting domestic demand to insulate economic growth from the trade war. India's economic growth remains resilient as the agriculture sector has been strong while consumption remains high. Government spending and increased investment in infrastructure will also support domestic demand in India. Emerging markets continue to trade at a large discount to developed markets despite higher forecasted growth rates. We continue to be guided by our bottom-up analysis and will digest upcoming earnings and outlook statements to evaluate our positioning. We believe opportunities for relative outperformance remain, particularly among the diverse and broad segment of emerging market small-cap equities.

Representative Account Top 5 Contributors* (%)	Contribution to Relative Return
Hyundai Rotem Co.	0.93
Giant Biogene Holding Co. Ltd.	0.39
Cencosud S.A.	0.30
National Bank of Greece S.A.	0.27
Magyar Telekom Telecommunications PLC	0.26
Representative Account Top 5 Detractors* (%)	Contribution to Relative Return
Kalyan Jewellers India Ltd.	-0.49
NCC Limited	-0.45
King Yuan Electronics Co., Ltd.	-0.36
Lotes Co., Ltd.	-0.34
Oberoi Realty Limited	-0.32

Source: FactSet.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines, and other factors. The representative account is believed to most closely reflect the current portfolio management style. Holdings are as of quarter end and may change at any time. This material should not be construed as a recommendation to buy or sell securities.

Composite Performance (%)	ANNUALIZED RETURNS						Since Inception 7.1.13
	QTR	YTD	1-YR	3-YR	5-YR	10-YR	
Trivalent Emerging Markets Small-Capitalization Equity (Gross)	-3.37	-3.37	0.59	8.70	20.98	9.70	9.66
Trivalent Emerging Markets Small-Capitalization Equity (Net)	-3.61	-3.61	-0.41	7.62	19.78	8.57	8.52
MSCI Emerging Markets Small Cap Index (Net)	-5.49	-5.49	-2.00	1.69	15.73	4.76	4.86

DISCLOSURES

All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class.

Past performance cannot guarantee future results. Returns for periods greater than one year are annualized. Returns are expressed in U.S. dollars. Composite and benchmark returns are presented net of non-reclaimable withholding taxes, if any.

Performance prior to November 1, 2014 occurred while the portfolio management team was affiliated with a prior firm. Such members of the portfolio management team were responsible for investment decisions at the prior firm and the decision-making process has remained intact. Gross-of-fees returns are presented before management and custodial fees but after any transaction costs. The composite net-of-fees returns reflect net-of-model fees and are calculated in the same manner as gross-of-fee returns using the Time Weighted Rate of Return method. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part 2A of its Form ADV.

Past performance is no guarantee of future results.

The Trivalent Emerging Markets Small-Capitalization Equity Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent Emerging Markets Small-Capitalization Equity strategy. The strategy focuses on foreign small-cap companies that are characterized by improving business momentum and attractive valuations. The composite creation date is August 2013. The benchmark of the composite is the MSCI Emerging Markets Small Cap Index (Net). Prior to 10/1/2017, the benchmark is the S&P® Emerging Plus Small Cap Index (Net). The MSCI Emerging Markets Small Cap Index is a free-float-adjusted, market-capitalization-weighted index designed to measure the performance of small-cap stocks in the emerging markets. Index returns are provided to represent the investment environment during the periods shown. Index returns reflect the reinvestment of dividends and capital gains but do not include advisory fees, transaction costs, or other expenses. One cannot invest directly in an index. Non-US indices are net of non-reclaimable withholding taxes, if any.

Holdings do not include cash, money market instruments, options or futures.

The representative account serves as the model against which each Trivalent Emerging Markets Small-Capitalization Equity Strategy account is managed. The representative account is an actual portfolio and the information provided, including performance, will vary for other accounts. The

Representative Account Top 10 Holdings	Country	Sector
Hyundai Rotem Co.	Korea	Industrials
Tong Yang Industry Co., Ltd.	Taiwan	Consumer Discretionary
Titan Cement International N.V.	Greece	Materials
Elite Material Co., Ltd.	Taiwan	Information Technology
United Laboratories International Holdings Ltd.	Hong Kong	Health Care
King Yuan Electronics Co., Ltd.	Taiwan	Information Technology
Giant Biogene Holding Co. Ltd.	China	Consumer Staples
Welspun Corp. Limited	India	Materials
Getac Holdings Corporation	Taiwan	Information Technology
GCC SAB de CV	Mexico	Materials
Total % of Portfolio		13.44%

representative account is being used solely as a tool to help demonstrate how performance can be attributed to the investment policies applied in the management of the Trivalent Emerging Markets Small-Capitalization Equity Strategy.

The information in this article is based on data obtained from recognized services and sources and is believed to be reliable. Any opinions, projections, or recommendations in this report are subject to change without notice and are not intended as individual investment advice. This information should not be relied upon as research or investment advice regarding any security in particular.

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Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®).

***Contributors and Detractors Source:** FactSet. The top contributors and detractors are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. Holdings are as of quarter end and may change at any time.

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