

Market Environment

International small-cap equities rose in the first quarter despite looming U.S. trade tariff announcements and the emergence of DeepSeek, a cost-efficient artificial intelligence model developed by a Chinese start-up. For the quarter, the S&P® Developed Ex-U.S. SmallCap Index rose 3.2%, while the Trivalent International Small-Capitalization Equity strategy outperformed the benchmark. There was wide dispersion among country returns in the Index, with European equities posting the strongest gains on improving sentiment over the possibility of a ceasefire in Ukraine. Portugal advanced 22.9% as global rating agency S&P upgraded its credit rating on a more positive outlook. Spain was up 18.8% as its economy expanded more than expected due to strong consumption, increased tourism, and higher exports. Austria rose 16% as its centrist parties agreed to form a coalition government. Germany gained 8.6% following Parliament's approval of a robust infrastructure and defense spending plan, bolstering the stability of a fragile transatlantic alliance. On the downside, Israel fell 7.2% after escalating its conflict with Hamas following a tentative ceasefire. Ireland and Australia were down 2.3% and 2.1%, respectively, as their export-driven economies face heightened uncertainty over global trade tensions.

Seven of the 11 economic sectors advanced, with the more defensive Communication Services sector leading the way, up 10.8%. The Financials sector gained 10.6%, driven by strong performance in the banking industry. Materials advanced 9.8%, supported by higher metals prices. On the other end of the spectrum, Consumer Discretionary and Health Care fell 3.4% and 2.8%, respectively.

Portfolio Review

Security selection was positive as excess returns were generated in four of five regions and seven of the eleven economic sectors. From a style perspective, the strategy's overall exposure to value, business momentum and quality factors contributed to relative performance, with value generating the strongest signal. At the sector level, notable outperformance was generated in Industrials, with the largest impact coming from two defense companies. Italian aerospace & defense contractor Leonardo rose after multiple European governments pledged to boost military spending. Korean railway and military equipment manufacturer Hyundai Rotem surged on the back of strong export orders and deliveries to Poland. Relative performance was also strong in Health Care, supported by a position in PharmaResearch. The Korean biopharmaceutical company exceeded revenue and operating profit expectations, driven by robust sales of its flagship product, Rejuran, which ranks among the top global skin boosters.

On the downside, Consumer Discretionary saw relative underperformance, mainly due to three holdings. Online rail ticketing platform Trainline was the top detractor as the U.K. government plans to explore consolidating regional ticketing apps. However, this does not seem to be a major threat to Trainline's business based on competitive positioning and historical alternatives. Japanese bowling and game operator Round One declined as near-term cost

increases seem to be outpacing price increases. Hong Kong-based shoe manufacturer Yue Yuen Industrial declined as the order outlook from major Original Equipment Manufacturer (OEM) customers was cautious amid tariff and demand uncertainties.

Market Outlook

International equities started the year with positive momentum as investors look to diversify away from U.S. market concentration into the broader global economy, drawn by attractive valuations and solid fundamentals. Market volatility has recently surged following U.S. tariff announcements, which risk disrupting global supply chains and eroding business confidence. As the next earnings season approaches, we anticipate forward guidance to reflect increased corporate uncertainty provided tariffs remain in place. 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. Despite the heightened uncertainty, Europe offers some counterbalancing tailwinds. The European Central Bank (ECB) cut rates for the sixth time in nine months to stimulate economic activity as inflation continues to slow. European countries are taking proactive steps in response to concerns that the U.S. may limit future aid to Ukraine. Germany's ambitious infrastructure and defense spending plan could provide a much-needed boost to the country's economy. European defense spending, which is also benefiting countries like Japan due to high demand, is projected to continue growing as nations focus on rearming. Japan has also seen significant developments, with its largest wage increase since 1993 following decades of stagnant wage growth. 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. From a valuation perspective, international small-cap stocks are still trading at lower earnings multiples compared to historical averages, and they remain attractively priced relative to both U.S. and international large-cap stocks. We continue to be guided by our bottom-up analysis and will evaluate upcoming earnings and outlook statements to refine our positioning. We believe there are still opportunities for relative outperformance, particularly within the diverse segment of international small-cap equities.

Representative Account Top 5 Contributors*	Return(%)	Contribution to Relative Return(%)
Dundee Precious Metals Inc.	46.54	0.32
Bankinter SA	39.89	0.30
Hyundai Rotem Co.	82.08	0.29
Leonardo SpA	78.04	0.26
Indra Sistemas, S.A. Class A	63.19	0.26

Representative Account Top 5 Detractors*	Return(%)	Contribution to Relative Return (%)
Trainline Plc	-35.20	-0.15
Methanex Corporation	-29.54	-0.15
ROUND ONE Corporation	-20.92	-0.14
Magellan Financial Group Ltd.	-28.64	-0.14
BE Semiconductor Industries N.V.	-24.92	-0.13

Representative Account Top 10 Holdings	Country	Sector
Celestica Inc.	Canada	Information Technology
Sanwa Holdings Corporation	Japan	Industrials
Swissquote Group Holding Ltd.	Switzerland	Financials
Bankinter SA	Spain	Financials
Dundee Precious Metals Inc.	Canada	Materials
Coca-Cola HBC AG	United Kingdom	Consumer Staples
Buzzi Spa	Italy	Materials
Beazley Plc	United Kingdom	Financials
Euronext NV	France	Financials
PSP Swiss Property AG	Switzerland	Real Estate
Total % of Portfolio		9.63%

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.

ANNUALIZED RETURNS

Composite Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception 9.1.07
Trivalent International Small-Capitalization Equity (Gross)	4.68	4.68	4.31	3.46	12.89	6.95	5.51
Trivalent International Small-Capitalization Equity (Net)	4.43	4.43	3.33	2.48	11.82	5.94	4.58
S&P® Developed Ex-U.S. SmallCap Index (Net)	3.18	3.18	0.97	-0.16	9.77	4.67	3.41

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 net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

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 International Small-Capitalization Equity Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent International Small-Capitalization Equity strategy. The strategy focuses on foreign small-cap companies that are characterized by improving business momentum and attractive valuations. The benchmark is the S&P Developed Ex-U.S. SmallCap Index (Net). The composite creation date is September 2007.

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

The representative account serves as the model against which each Trivalent International 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 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 International 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. A complete list of all holdings for the previous 12 months, each holding's contribution to the strategy's performance, and

the calculation methodology used to determine the holdings' contribution to performance is available on request. Victory Capital Management Inc., and its affiliates, as agents for their clients, and any of its officers or employees, may have a beneficial interest or position in any of the securities mentioned, which may be contrary to any opinion or projection expressed in this report. 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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