

### Market Commentary

The U.S. equity market declined in the third quarter, continuing the downward trend from the first half of 2022. The quarter began with a rally that continued into mid-August, on hopes that the U.S. Federal Reserve (Fed) would pivot toward a more accommodative policy. However, messaging from Chairman Powell and a stronger-than-expected inflation report in early September dampened investor optimism over the central bank's trajectory and the odds of avoiding recession. The Fed went on to hike rates aggressively by three-quarters of a point twice during the quarter, bringing the benchmark federal funds rate target to a range of 3.0% to 3.25%, as compared to 0% to 0.25% at the beginning of the year. Other factors that weighed on sentiment during the quarter included the ongoing Russia-Ukraine war, an energy crisis in Europe, and the resumption of COVID-19 lockdowns in China.

Large-cap value stocks posted a loss for the quarter while underperforming their large-cap growth counterparts. The Russell 1000® Value Index returned -5.62% for the quarter as compared to -3.60% for the Russell 1000® Growth Index. Within the value benchmark, energy was the lone sector to finish the quarter in positive territory, while communication services and real estate were the biggest laggards, posting double-digit losses.

**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.** In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Real estate investment trusts (REITs) are subject to changes in economic conditions, credit risk and interest rate fluctuations. Dividends are never guaranteed. Derivatives may not work as intended and may result in losses. The value of your 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.

The opinions are as of the date noted and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Discussion based on the Fund share class. Other classes are available and may have different performance characteristics.

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### Fund Performance and Positioning

The USAA Income Stock Fund had a negative return for the quarter and outperformed its benchmark, the Russell 1000® Value Index.

The Fund selects holdings from among the universe of companies that pay above-average dividends and carry the potential of increasing those dividends. In doing so, the Fund uses quantitative analysis to identify companies that meet one of the following criteria: trade at attractive valuations, exhibit positive momentum, and/or are high quality, as measured by strong and stable profitability.

For the quarter, overall security selection added to the Fund's performance relative to the benchmark, most notably within financials and consumer discretionary. Sector allocation was essentially a neutral factor in performance.

Holdings, if any, are subject to change without notice and should not be considered purchase recommendations.

**The Russell 1000® Value Index** is a market-capitalization-weighted index that measures the performance of Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth rates.

The Russell 1000® Growth Index is a market-capitalization-weighted index that measures the performance of Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. An index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with the active management of an actual portfolio.

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