# VICTORY RS INTERNATIONAL FUND QUARTERLY COMMENTARY

RS Investments®
A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of September 30, 2026

## Market Review

International Equities (as measured by the MSCI EAFE Index) posted a modest gain of 0.81% in the third quarter of 2026 as oil prices, bond yields and interest rates all rose over the period and conflict in the Middle East persisted. Japan was the top performing EAFE region, profiting from robust earnings growth, positive sentiment around corporate governance reforms and a weaker yen, a boon for the country's export-driven economy. The United Kingdom also posted positive gains due to higher exposure to the Energy and Financials sectors, which benefited from elevated fuel prices and rising interest rates, respectively. In contrast, continental Europe lagged other regions on investor concerns over consumer weakness and rising gas prices, as well as its weaker earnings growth profile relative to the US and Asia and a comparative lack of AI exposure. Value stocks significantly outperformed Growth-oriented shares within the EAFE region for the period and small cap stocks outperformed larger caps. Lower-quality, less-profitable stocks also outperformed their higher-quality peers.

## QVS Factor Performance

The RS Global team's proprietary QVS (Quality, Valuation and Sentiment) Model evaluates over 10,000 global companies in search of the best investment opportunities. It is designed to identify companies that have the potential to consistently create shareholder value, are reasonably valued, and exhibit favorable market sentiment. The model helps focus our resources, as we conduct additional research only on companies with the strongest model recommendations.

Stocks in the highest ranked quintile of the model outperformed stocks ranked in the lowest quintile for the period, led by the Valuation factor while Sentiment lagged. Overall returns were also positive in most regions. Among EAFE regions, the model was strongest in Asia/Pacific ex Japan, Europe and the United Kingdom and weaker in Japan.

## Performance and Positioning

The Victory RS International Fund (the "Fund") returned -0.71% (Class A Shares at net asset value) for the period, while its benchmark, the MSCI EAFE Index (net) (the "Index"), returned +0.81%.

Negative stock selection in the Industrials, Consumer Staples and Communication Services sectors detracted from relative performance, as did an underweight in Communication Services. Positive stock selection in the Information Technology sector supported relative results. By region, stock selection was negative in the United Kingdom and Asia/Pacific ex Japan and positive in Europe. Additional country-level detractors included Singapore and Switzerland while Netherlands and Spain were positive contributors.

Individual detractors from relative performance included overweights to Japanese semiconductor equipment maker Disco Corporation and French engineering and construction company Eiffage SA. The portfolio also lost relative performance from not owning Japanese human resources services company Recruit Holdings Co., Ltd., which performed well within the benchmark.

Positive contributors included overweights to Japanese shipping company Nippon Yusen Kabushiki Kaisha and Japanese banking and financial services firm Mizuho Financial Group, Inc. Not owning Japanese memory chip manufacturer Kioxia Holdings Corporation, which performed poorly within the benchmark, also supported relative results.

## Outlook

We continue to view AI investment cycle and its multiplier effects remain a primary engine of global economic activity and market movement, especially as earnings estimates for exposed companies continue to rise. Market volatility is likely to remain elevated as investors continue to parse future winners and losers in the AI race. Further escalation of the conflict in the Middle East could also spur volatility, in addition to pushing energy prices and inflation concerns even higher. As ever, thoughtful diversification around these themes (and others) will remain a focus of our investment process.

Our approach to heightened volatility is to maintain a neutral posture, with sector and regional allocations within roughly +/-3.0% of the benchmark. This reflects our typical approach to portfolio construction, and our emphasis on stock selection as the primary driver of relative performance. In our view, stock selection is a more sustainable path to positive excess returns than trying to make market timing calls. To that end, we will continue to rely on our QVS model in sourcing investment ideas and to emphasize higher quality companies in the portfolio.

We thank you for your continued support.

Sincerely,

***The Victory RS Global Markets Team***

| Top Ten Holdings | % Fund |
|---|---|
| ASML Holding NV | 4.58 |
| Allianz SE | 2.78 |
| Novartis AG | 2.73 |
| Roche Holding Ltd | 2.66 |
| Mizuho Financial Group, Inc. | 2.64 |
| BHP Group Ltd | 2.59 |
| HSBC Holdings Plc | 2.57 |
| Shell Plc | 2.51 |
| ING Groep N.V. | 2.36 |
| Banco Bilbao Vizcaya Argentaria, S.A. | 2.22 |

Holdings are subject to change and should not be construed as investment advice or a recommendation to buy, sell, or hold any security.

| Region Allocation | % Fund |
|---|---|
| Europe | 45.36 |
| Japan | 23.35 |
| United Kingdom | 15.70 |
| Asia/Pac x Japan | 10.78 |
| Other | 3.35 |
| Cash | 1.46 |
| North America | 0.00 |

Allocation is subject to change.

**Investment Performance (%)**

Average Annual Returns as of September 30, 2026

| Victory RS International Fund (Class A – GUBGX) | Q3 2026 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (2/16/93) | Expense Ratio Gross | Expense Ratio Net |
|---|---|---|---|---|---|---|---|---|---|
| A Shares, without sales charge | -0.71 | 8.19 | 12.35 | 17.48 | 8.56 | 9.11 | 6.52 | 1.34 | 1.13 |
| A Shares, with sales charge (max. 5.75%) | -6.42 | 1.97 | 5.86 | 15.19 | 7.28 | 8.47 | 6.33 | 1.34 | 1.13 |
| MSCI EAFE Index (Net) | 0.81 | 10.33 | 15.69 | 18.40 | 9.32 | 9.07 | – | – | – |

Source: Victory Capital data analyzed through Zephyr

Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through April 30, 2027.

**Past performance does not guarantee future results. The performance quoted represents past performance and current performance 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, visit www.vcm.com., visit www.vcm.com.** Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year is annualized. Other share classes are available for which performance and expenses will differ. Performance may reflect certain past fee waivers and/or expense reimbursements, without which performance would have been lower.

**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. Read it carefully before investing.**

**All investing involves risk, including the potential loss of principal**. The market prices of securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, recessions, inflation, or changes in interest or currency rates. **International investments** can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from U.S. investments. Investments concentrated in a single country, a small number of countries or a specific region may be particularly affected by adverse markets, rates, and events, which may occur in those countries and regions and typically exhibit higher volatility. **Emerging markets** involve heightened risks related to the same factors as well as greater volatility, reduced liquidity, different governmental controls and taxation, and less diversified economies. Investments in **small- and mid-sized companies** typically exhibit higher volatility. **Investments concentrated in an industry** or group of industries may face more risks and exhibit higher volatility than investments that are more broadly diversified over industries or sectors. Companies in the **financial services** sector are subject to extensive government regulation that may affect the scope of their activities, the prices they can charge and capital maintenance. The industry is subject to severe competition and can be significantly affected by market conditions, including interest rate changes. The value of your investment is also subject to geopolitical risks such as wars, terrorism, trade disputes, 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 views expressed are as of the date noted and are subject to change at any time based on market or other conditions. These views should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any portfolio. Holdings are subject to change and should not be construed as investment advice or a recommendation to buy, sell, or hold any security.

**The MSCI EAFE Index** measures the performance of large-and mid-cap stocks in the developed markets, excluding the U.S. and Canada. The index covers approximately 85% of the free-float-adjusted market capitalization in each country.

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