VICTORY SYCAMORE SMALL COMPANY OPPORTUNITY FUND QUARTERLY COMMENTARY

SYCAMORE CAPITAL®

A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of December 31, 2025

EXECUTIVE SUMMARY

Sycamore Capital's Small Cap Value investment team employs a disciplined, bottom-up, fundamental process to invest in what we believe are better businesses that trade at a discount to the team's estimate of intrinsic value and possess fundamental drivers that may narrow the valuation gap. By investing in businesses that exhibit these attributes, we seek to minimize downside risk without sacrificing the upside potential.

- The Victory Sycamore Small Company Opportunity Fund (A Shares without sales charge) underperformed the Russell 2000® Value Index for the fourth quarter of 2025 and for the 12-month period ended December 31, 2025.
- During the quarter, both stock selection and sector allocation were unfavorable, with security selection having a larger impact on relative underperformance. For the 12-month period, stock selection was the primary driver of relative underperformance, while sector allocation had a marginally positive impact for the period. Sector weighting is a by-product of the bottom-up stock selection process and not a result of top-down tactical decisions.

MARKET OVERVIEW

Third Consecutive Year With Double-Digit Returns

U.S. equities capped off another year of double-digit returns for the major indices. That marked the third consecutive year of double-digit returns for the S&P 500® Index, Russell Midcap® Index, Russell 2000® Index and the Nasdaq Composite. For the S&P 500® Index, Russell Midcap® Index and the Russell 2000® Index, 2025 marked the eighth year of double-digit returns in the past 10 years. For the Nasdaq Composite, it was the seventh out of the past 10 years—marking an impressive streak for U.S. equities. It was also a stellar year for precious metals, with gold (+64.4%) and silver (+141.4%) both having their best years since 1979. Conversely, the U.S. dollar clocked its worst year since 2017—down 9.5%. WTI crude was also in the penalty box—declining approximately 20% for the year—making it the worst year since 2020.

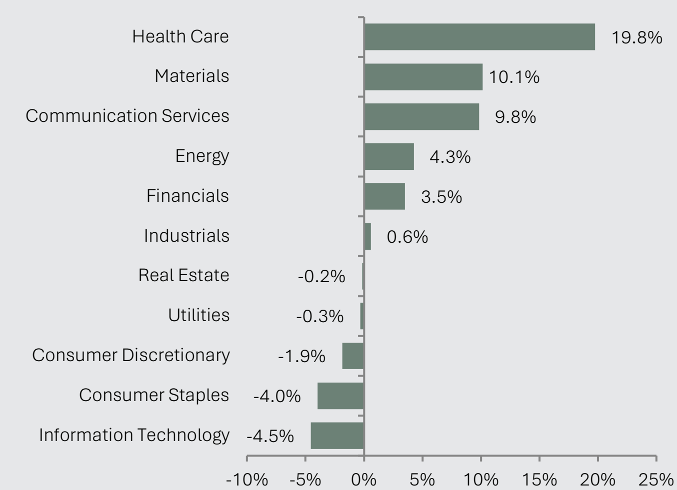
There was a lapse of data to begin the quarter stemming from the longest government shutdown in history. Investors were forced to interpret the economic data with "a grain of salt." Nevertheless, the risk-on sentiment bled into October as several developments (rate cut, U.S./China trade truce, additional AI deal announcements) proved to be tailwinds for equities. However, a rotation out of the prevailing themes that dominated the narrative since the April equity market lows unfolded in November. That was chalked up to a more hawkish Fed and emerging scrutiny around the AI trade—mainly centered around ROI/profitability, free-cash-flow erosion, debt levels, and nebulous financing arrangements. Regardless, equities eked out a gain in the fourth quarter to finish the year.

While the AI trade is far from being dethroned heading into the new year, increased scrutiny could help broaden the market given the lofty expectations, extreme concentration, and frothy valuations surrounding the AI capex investment cycle. Despite the consecutive years of double-digit gains, the outlook for U.S. equities remains constructive. An economy that is expected to grow at an above-average pace, coupled with the prospect for easing monetary policy, should provide additional tailwinds for the market. However, investors should be prudent and be ready for earnings disappointment, especially in momentum pockets of the economy where expectations remain elevated. In such a scenario, it is possible that the market broadens out and some of the momentum migrates out of the dominant themes and into areas of the economy that have been neglected given the hyper-focus on the AI trade. That should bode well for cyclical areas as well as Value in general, which have been out-of-favor in the growth and momentum-centric market backdrop.

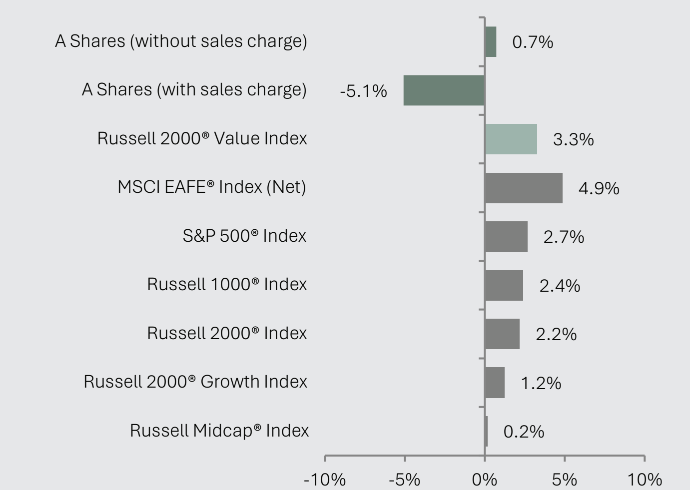
PERFORMANCE BY SIZE AND STYLE

Large-cap equities outpaced both small- and mid-cap equities during the fourth quarter of 2025. Large-cap equities, as measured by the S&P 500® Index and the Russell 1000® Index, returned 2.66% and 2.41%, respectively. Small-cap stocks, as measured by the Russell 2000® Index, returned 2.19%, while mid-cap equities, as measured by the Russell Midcap® Index, returned 0.16% during the quarter. Broken down by style, value outpaced growth within each of the three major size segments. Specifically, for small-

Russell 2000® Value Index Sector Returns – 4Q 2025



Fund and Market Performance – 4Q 2025



Past performance does not guarantee future results. See the final page for standardized performance. Source: Zephyr & FactSet.

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Performance Attribution Relative to the Russell 2000® Value Index – 4Q 2025

Positive Contributors	Negative Contributors
Stock Selection in Information Technology	**Stock Selection in Financials**
Stock Selection in Consumer Staples; *mostly offset by overweight*	**Underweight & Stock Selection in Health Care**
	Stock Selection in Consumer Discretionary
	Overweight in Industrials
	Stock Selection in Materials; *partially offset by overweight*

Source: FactSet.

caps, the Russell 2000® Value Index returned 3.26%, outpacing its growth counterpart, which returned 1.22%.

For the 12-month period ended December 31, 2025, large-cap equities outpaced both small- and mid-cap equities. Large-cap equities, as measured by the S&P 500® Index and the Russell 1000® Index, posted returns of 17.88% and 17.37%, respectively. Small-cap stocks, as measured by the Russell 2000® Index, returned 12.81%, while mid-cap equities, as measured by the Russell Midcap® Index, returned 10.60% during the period. Broken down by style, growth outpaced value within the large- and small-cap size segments, while value outpaced growth within the mid-cap size segment. Specifically, for small-caps, the Russell 2000® Growth Index returned 13.01%, outpacing its value counterpart, which returned 12.59%.

PORTFOLIO ATTRIBUTION – FOURTH QUARTER

The Victory Sycamore Small Company Opportunity Fund (A Shares without sales charge) underperformed the Russell 2000® Value Index (the “Index”) in the fourth quarter of 2025.

During the quarter, both stock selection and sector allocation were unfavorable, with security selection having a larger impact on relative underperformance. Index returns were positive across six of the 11 major economic sectors, with only five sectors outpacing the broader Russell 2000® Value Index. Health Care was the top-performing sector, returning 19.75%. By contrast, Information Technology was the worst-performing sector for the quarter, posting a return of -4.55%.

Specifically, for the portfolio, stock selection in Financials, Consumer Discretionary, Materials and Health Care detracted from relative performance for the quarter. However, an overweight in Materials partially offset the unfavorable impact of selection in the sector. An underweight in Health Care (the top-performing sector), as well as an overweight in Industrials also detracted from relative return. Conversely, stock selection in Information Technology and Consumer Staples contributed to relative return. However, an overweight in Consumer Staples mostly offset the favorable impact of selection in the sector.

TOP CONTRIBUTORS – FOURTH QUARTER

Shares of **Tower Semiconductor Ltd. (TSEM)**, a producer of Silicon Photonics chips that are used in optical transceivers that connect data center servers via optics rather than copper Ethernet, were the top contributor for the fourth quarter. TSEM has evolved from a low-value fab to essentially the sole producer of Silicon Photonics and Silicon Germanium chips for optical modules in a hot market. Many of its peers exited the Silicon Photonics channel, leaving TSEM as a key supplier. The company is tripling its Silicon Photonics capacity to meet the outsized demand, and it expects revenue growth and gross margin expansion to follow. Shares were trimmed during the quarter following strong performance. **Sandisk Corp. (SNDK)**, which spun out from Western Digital Corp. (WDC) early in the second quarter, was another top contributor for the period. SNDK became the only U.S.-listed pureplay NAND maker. The other key competitor is Kioxia in Japan. The investment thesis for SNDK was based on an unassuming valuation post-spin, and that the NAND memory industry would recover. Our thesis played out, as a shortage in NAND came to light – the result of data center driven demand and crowding out of other buyers in the market, pushing the NAND average selling price (ASP) to highs. This dynamic drove SNDK’s top line and margins, and thus a material and rapid re-rating in the shares. Shares were divested on relative strength. Shares of **Hub Group, Inc. (HUBG)**, a North American transportation and logistics solutions provider, traded higher during the quarter. Like other companies in the transportation logistics industry, HUBG benefited from higher truckload (TL) spot rates. TL spot rates lead intermodal rates, which HUBG has exposure to, so the company stands to benefit as long as TL rates remain elevated. In addition, the proposed merger between Union Pacific (UNP) and Norfolk Southern (NSP) stands to benefit HUBG as it is the largest intermodal player with access to both UNP and NSP rails. The thesis for HUBG remains unchanged at this time. **Photronics, Inc. (PLAB)**, a manufacturer of photomasks used in the production of semiconductors and flat-panel displays for chipmakers and electronics companies, was another top contributor. Shares rose sharply following a very strong Q4 earnings release in December. Revenue and EPS significantly beat expectations, and management forecast a strong Q1 2026 due to rising demand in the U.S. and Asia for large-format photomasks used in AI applications. PLAB is well-positioned for the diversifying of semiconductor supply chains and U.S. onshoring, and its valuation remains attractive on multiple metrics. Our thesis for PLAB remains intact. **Warrior Met Coal, Inc. (HCC)**, a U.S. producer and exporter of metallurgical (hard-coking) coal used in steelmaking, rounded out the list of top contributors for the fourth quarter. Shares rose to a new all-time high following its strong Q3 earnings release, which prompted a sharp re-rating from investors and upgrades from industry analysts. Demand for metallurgical coal, an input to steel production, has been stronger amid rising steel demand and supply constraints. Furthermore, its low-cost Blue Creek mine began production ahead of schedule, which is increasing volumes and helping HCC lower operating costs. Our thesis for HCC is unchanged at this time.

TOP DETRACTORS – FOURTH QUARTER

Crane NXT Co. (CXT), a provider of advanced solutions to secure, detect, and authenticate critical physical and digital assets, was the top detractor for the fourth quarter. Shares fell during the quarter on suspicion that management would have to give lower guidance than expected in 2026 due to production bottlenecks. The bottlenecks relate to its International Currency business and would force CXT to outsource production to contract manufacturers, which would put pressure on margins. We believe the pullback is driven by shorter-term factors that will not impact the longer-term opportunity; as a result, our thesis for CXT remains unchanged at this time. Shares of **Gibraltar Industries, Inc. (ROCK)**, a U.S. manufacturer of engineered building products and infrastructure solutions, were another top detractor for the fourth quarter. ROCK shares fell sharply following the announcement of its acquisition of OmniMax International, a residential roofing and rainware solutions provider. Revenue and earnings were also down amid a declining roofing market (especially in Texas), and the timing of the market’s recovery is still uncertain. The $1.34 billion OmniMax acquisition adds significant leverage to the balance sheet. Given the higher financial leverage and increased uncertainty post-acquisition, we trimmed our position in the fourth quarter. **Walker & Dunlop, Inc. (WD)**, a U.S. commercial real estate finance company that originates, sells, and services multifamily and other commercial property loans, was another top detractor for the quarter. We anticipated that the undersupply of multifamily units over the next several years would support rent growth and compression in cap rates and the lack of housing affordability would keep a lid on families moving out to own. The recovery in multifamily transactions did not materialize, as interest rates

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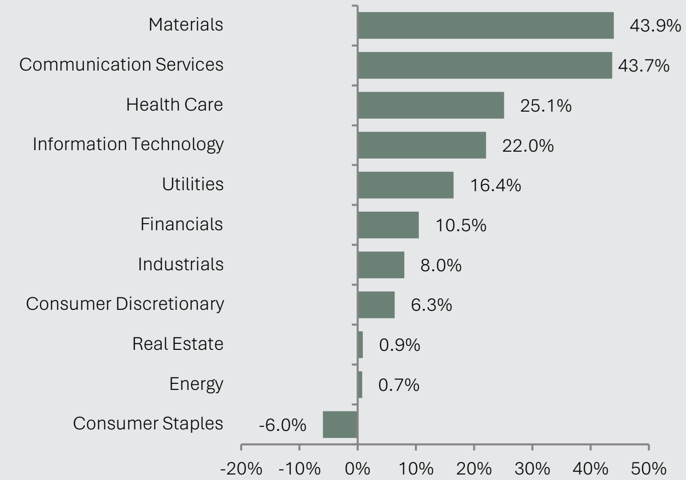
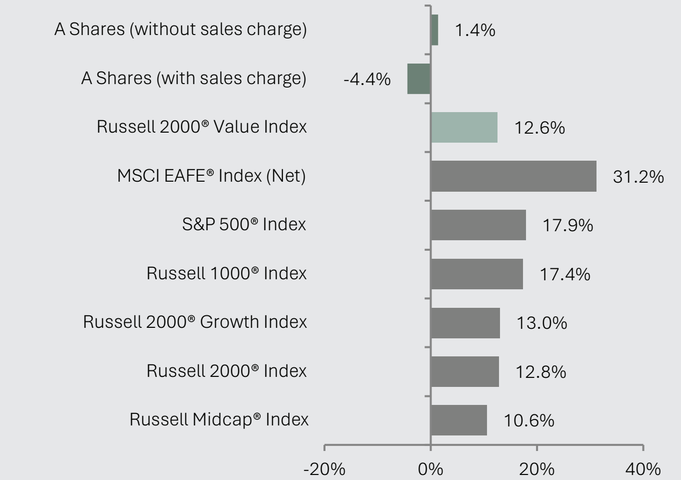
Russell 2000® Value Index Sector Returns – Full Year 2025



Fund and Market Performance – Full Year 2025



Past performance does not guarantee future results. See the final page for standardized performance. Source: Zephyr & FactSet.

stayed relatively elevated and oversupply in several large multifamily markets resulted in continued pressure on rental rates. Shares were divested in the fourth quarter. **Visteon Corp. (VC)**, an automotive technology company that designs, engineers, and manufactures cockpit electronics, connected car solutions, and electrification products, was another detractor. Shares of VC underperformed following a weaker-than-expected third quarter earnings release. VC reported a slight beat on EPS, but revenue declined mid-single digits (%) year-over-year amid a cyclical downturn in the automotive industry and market pressure due to tariff announcements. However, VC's balance sheet remains strong and bookings remain at record levels. We feel the valuation is attractive and used the pullback as an opportunity to add to our position during the quarter. **Valvoline Inc. (VVV)**, a provider of automotive lubricants and operator of preventative maintenance service centers, rounded out the list of top detractors. VVV shares fell sharply following a weak Q4 earnings release and investor concerns following the close of its Breeze Autocare acquisition. The finalized Breeze deal left VVV with higher-than-anticipated leverage and forced the company into unfavorable divestitures to secure deal approval—ultimately resulting in a less attractive purchase price for shareholders. We feel the margin of safety for VVV eroded due to this large transaction, warranting a full divestment of shares during the quarter.

PORTFOLIO ATTRIBUTION – FULL YEAR 2025

The Victory Sycamore Small Company Opportunity Fund (A Shares without sales charge) notably underperformed the Russell 2000® Value Index (the "Index") for the 12-month period ended December 31, 2025.

For the year, stock selection was the primary driver of relative underperformance. Sector allocation was favorable; however, the overall impact on relative performance was trivial. Index returns were positive across 10 of the 11 major economic sectors for the year and varied widely, with only five sectors outpacing the broader Russell 2000® Value Index. Materials was the top-performing sector, posting a return of 43.94%. By contrast, Consumer Staples was the worst-performing sector, returning -5.97%.

While stock selection was mostly unfavorable across sectors, security selection in Materials, Financials and Consumer Discretionary was the key driver of the relative underperformance for the year. An overweight in Materials (the top-performing sector) partially offset the unfavorable impact of selection in the sector. Conversely, stock selection and an underweight in Utilities contributed to relative return.

TOP CONTRIBUTORS – FULL YEAR 2025

Three of the top contributors for the year were companies that were linked to the AI ecosystem. **Sandisk Corp. (SNDK)** was the top contributor for the period, followed by **Tower Semiconductor Ltd. (TSEM)**, both discussed in the fourth quarter section. **Everus Construction Group, Inc. (ECG)**, a commercial and utilities construction company, benefited from strong execution during the year. ECG is leveraged to the data center build-out, where demand from clients remained robust throughout the year. ECG beat EPS estimates in consecutive quarters and further raised EBITDA guidance for the year. Shares were trimmed on relative valuation. **Mercury Systems, Inc. (MRCY)** is a leading technology provider that provides mission-critical components, modules and subsystems mainly to defense prime contractors. MRCY reported better-than-expected results in 3Q25 as the company benefited from accelerated customer deliveries across several high-margin programs. Demand remains strong, with current bookings at $1.4 billion—the highest level ever. MRCY could be a beneficiary of the Golden Dome build-out given the company's leverage to antiballistic systems; however, timing remains unclear. We divested our position following the stock's strong relative performance. **Commercial Metals Co. (CMC)** rounded out the list of top contributors for 2025. CMC is a U.S.-based steel and metals manufacturer, recycler, and fabricator that produces rebar, structural steel, and related metal products for the construction and infrastructure sectors. CMC's newest mills are designed to be the lowest-cost in the world and operate on a continuous production process. Furthermore, demand for CMC products has been strong due to increased infrastructure spending and manufacturing facility build-outs. The company made two acquisitions during the year to gain scale and establish a new position in precast concrete products. Sizable acquisitions generally inject a level of risk into the thesis; therefore, the position was trimmed following the announcements.

Performance Attribution Relative to the Russell 2000® Value Index – Full Year 2025

Positive Contributors	Negative Contributors
Stock Selection & Underweight in Utilities	**Stock Selection in Financials**
	Stock Selection in Materials; *partially offset by overweight*
	Stock Selection in Consumer Discretionary

Source: FactSet.

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TOP DETRACTORS – FULL YEAR 2025

Walker & Dunlop, Inc. (WD) was the top detractor for the year and discussed above. **V.F. Corp. (VFC)**, which boasts a portfolio of well-known brands such as The North Face, Timberland, Vans and Dickies, came under pressure following the tariff announcement in April. Part of the original thesis for VFC was the turnaround trajectory and stabilization of its flagship Vans brand under new management. However, the tariff announcement injected an unanalyzable level of risk given the company's global revenue stream and sourcing exposure, with less balance sheet flexibility versus peers subject to similar headwinds. Shares were divested early in the second quarter given the uncertainty surrounding tariffs at the time. **Apogee Enterprises, Inc. (APOG)**, a producer and installer of architectural glass and aluminum framing systems, came under pressure during the year due to rising aluminum prices and pricing pressures in the glass segment. Non-residential construction softened – especially in the Office sector – during the year, which reduced volumes and forced APOG to make price concessions and accept lower-margin projects. We believe the stock has an attractive risk/reward profile, but near-term headwinds will likely persist until the non-residential construction market inflects. Shares were divested given the fundamental headwinds across markets. **Civitas Resources, Inc. (CIVI)**, an oil exploration and production company focused on the Denver-Julesburg Basin, was initially purchased due to management's focus on shareholder returns and capital efficiency in lieu of production growth, which was a systematic issue in the industry in prior cycles. Though we felt the stock had an attractive risk/reward profile, shares have underperformed over the past year and we were disappointed with the progress on their last acquisition. We divested our shares during the third quarter. Rounding out the top detractors list for the year was **Innospec Inc. (IOSP)**. IOSP is a specialty chemicals company that manufactures and markets performance chemicals, fuel additives, and oilfield chemical solutions to industrial, energy, personal care, and transportation markets. Shares have underperformed primarily due to weakness in two of three segments. The Performance Chemicals segment saw declining EBIT due to poor product mix and execution issues as well as higher raw material costs. The Oilfield Services segment has been slow to recover following PEMEX production disruptions and order timing from Middle East customers. On the bright side, the Fuel Specialties business has been providing the company with an attractive return stream to alleviate softness in other parts of the business. Despite these short-term challenges, shares should benefit at any signs of fundamental inflection given management's operational track record and valuation that reflects low expectations. We currently maintain our position in IOSP.

A YEAR IN REVIEW: A MEMORABLE YEAR FUELED BY THEMES

There was no shortage of headlines for investors to digest in 2025. The year started off with relative calm until the reveal of DeepSeek in late January, which called into question the efficacy of U.S.-based large language model (LLMs). The unwind in AI-linked names was swift and sharp—eroding trillions in market cap in a short period of time. Around the same time, a frenzy of policies from the new administration injected historic uncertainty into the economy. Markets responded by selling off. However, that would only last several weeks, and ultimately the market bottomed in early April. Since that milestone, the meteoric rally in risk assets has been impressive. However, the rally was one-dimensional and singularly focused. We'll touch on some observations from the past year and capture some of these in illustrations. We believe that this would be the best approach to help frame up the challenging backdrop for our readers.

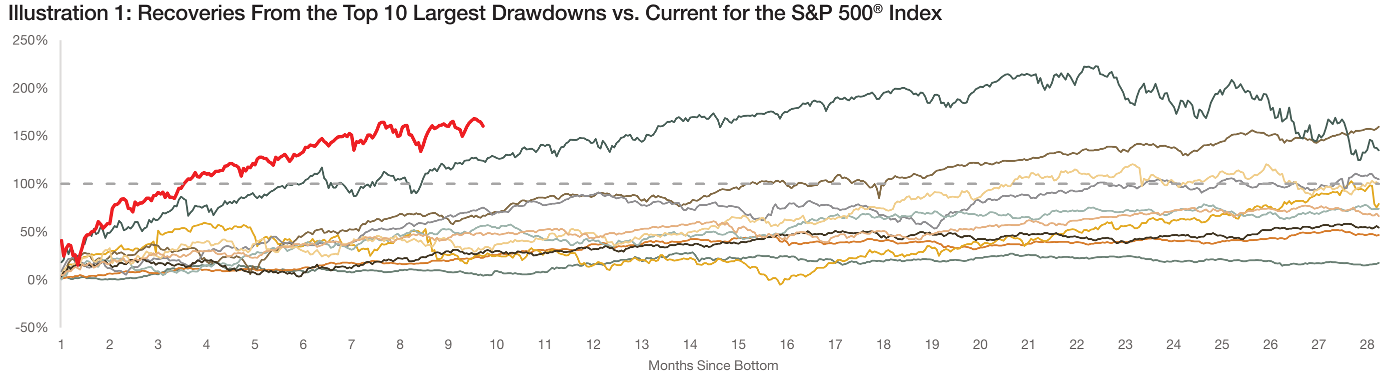
- *A one-dimensional and singularly focused market was at odds with a bottom-up fundamental value approach. In other words, building a diversified portfolio and being contrarian was not rewarded.*
- *The rally off the April lows was defined by stocks exhibiting low quality attributes (i.e., high beta, most volatile, high short interest, loss-making stocks, etc.).*
- *Speculative themes were in vogue (i.e., most-shorted, quantum computing, non-profitable tech, crypto, etc.).*
- *Market concentration remained elevated, with a handful of themes (and associated stocks) driving the narrative.*
- *The market backdrop evolved into one that is best characterized by the "haves and have-nots" framework. Areas within the market leveraged to the prevailing themes benefited. Those that were not exposed were neglected.*
- *Not owning certain companies and/or groups exposed to the dominant market themes had a notable (adverse) impact on performance.*
- *Retail participation in the equity market reached an all-time high, which has affected the market structure.*
- *Investor preference for a handful of themes and stocks has pushed relative valuation to extreme levels in some cases.*
- *The stylistic headwinds were too profound for fundamental (value) managers to overcome. This created a very difficult backdrop for active management. Consequently, hit rates for active managers were well below normal again in 2025.*
- *The evolution of the S&P 500® Index over time is noteworthy. What historically was considered a broad market index has evolved into a tech proxy.*
- *If history is a guide, the rally has room to run (i.e., tailwinds to keep the risk-on sentiment alive).*

2025 IN CHARTS

A Rally Like No Other?

1. The rally off the April 2025 equity market lows has been more pronounced than rallies following other major drawdowns in the S&P 500® Index since 1929 (Illustration 1).

Illustration 1: Recoveries From the Top 10 Largest Drawdowns vs. Current for the S&P 500® Index

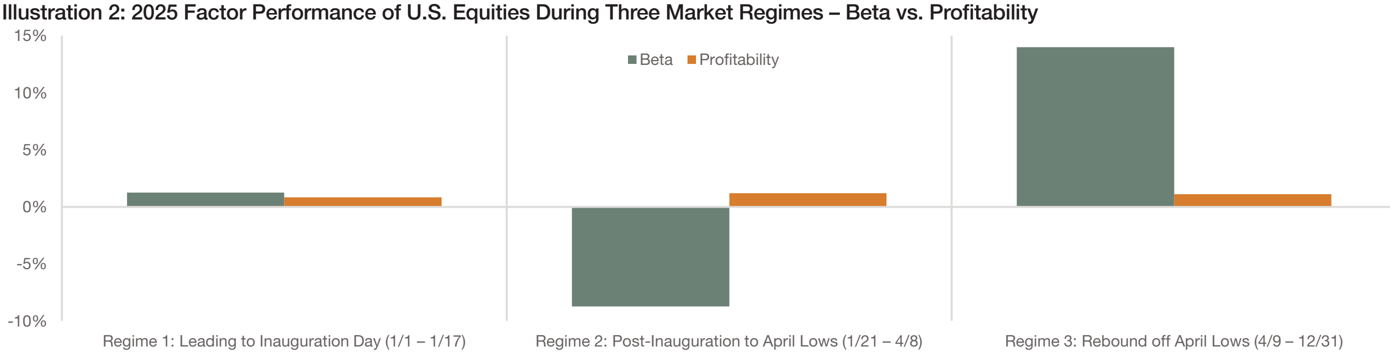


Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Number of months is calculated assuming 21 trading days per month. Dates listed in legend are the peak dates for each respective drawdown period, not when the recovery began.

Factor Performance Was a Meaningful Headwind in 2025

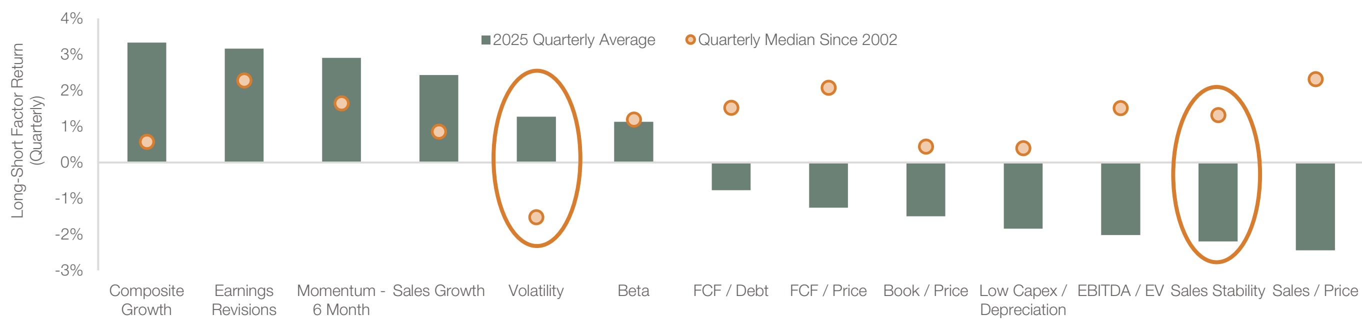
2. The stylistic headwinds following the April lows have been meaningful given the outperformance of Risk factors such as Beta and Volatility (Illustration 2).
3. The Volatility factor generally underperforms over the long term; however, the factor was one of the best performing in 2025. Relative to their long term averages, both Price and Earnings Momentum also outperformed in 2025. Quality and Value factors, which typically outperform over the long term, struggled in 2025 (Illustration 3).
4. For the seven-month stretch (ending 10/31/25) following the April market troughs, the Volatility factor's outperformance was in the 98th percentile when compared to other seven-month stretches dating back to 1990 in the Russell 2000® Value Index (Illustration 4).
5. The outperformance of the Volatility factor was a unique feature for the rally after the April lows. Performance this stark for the Volatility factor is typically reserved for risk-on market regimes following recession market troughs. The sell-off in early 2025 was neither a recession nor an "official" bear market (Illustration 5).
6. Besides the notable returns to the Volatility factor, in 2025 another example of the divergence in factor performance is highlighted by the underperformance of the Quality factor. Quality's underperformance since the April lows is similar to other periods when the market rallies following a notable drawdown (e.g., 2003, 2009 and 2020). However, the difference is that in 2025, the market sell-off was not as steep as prior periods and did not occur during a recession (Illustration 6).
7. There was a wide divergence between high Momentum and low Beta stocks during the year. Market participants wanted to own "what's working." There was little appetite for stocks trading at a discount in a market fueled by themes (Illustration 7).
8. High Momentum's relative outperformance versus low Beta stocks was significant by historical standards and only observed twice (during the GFC and COVID-19 pandemic) since the Tech Bubble (Illustration 8).
9. The rally off the April lows has been dominated by risk factors. For example, the performance of stocks in the highest Beta quintile (Q1 = +87.9%) for the Russell 2000® Value Index meaningfully outperformed the quintile with the lowest Beta stocks (Q5 = +24.2%). The same conclusion can be observed for other factors such as Volatility, Short Interest and Profitability. As a quality-biased fundamental manager, underexposure to some of these Risk factors has resulted in a notable performance drag (Illustration 9).

Illustration 2: 2025 Factor Performance of U.S. Equities During Three Market Regimes – Beta vs. Profitability



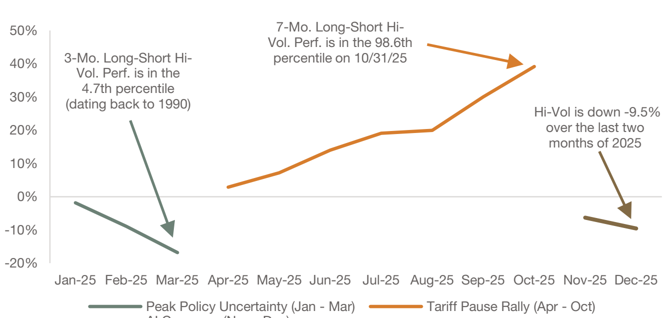
Source: Axioma. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Analysis included all equities listed on the US stock market. The market was closed for Inauguration Day in observance of Martin Luther King Jr. Day. As a result, "Regime 2" starts on 1/21/2025 instead of 1/20/2025.

Illustration 3: 2025 Factor Returns vs. Median Since 2002 in the Russell 2000® Value Index



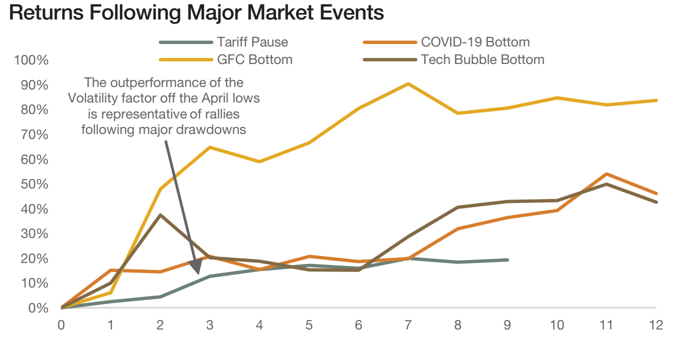
Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Analysis is quintile based, with an equal number of holdings in each quintile. Results represent first quintile performance minus fifth quintile performance.

Illustration 4: Russell 2000® Value Index High Volatility Regimes in 2025



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Illustration 5: Russell 2000® Value Index Cumulative High Volatility Returns Following Major Market Events



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

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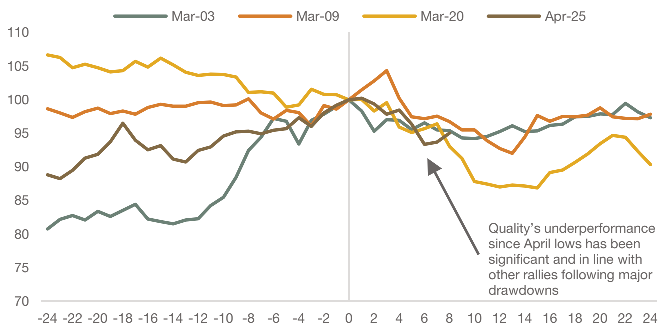
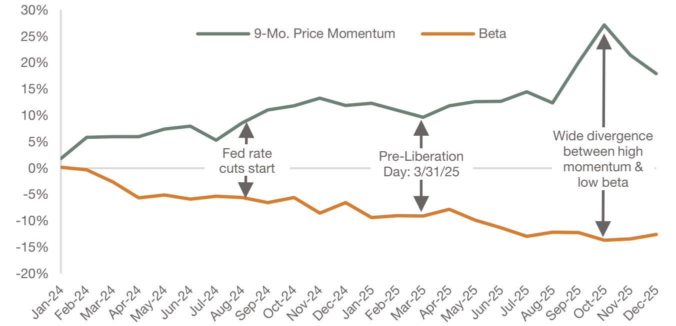
Illustration 6: Quality vs. Overall Index Performance of the Russell 2000® Value Index (Pre- & Post-Troughs)



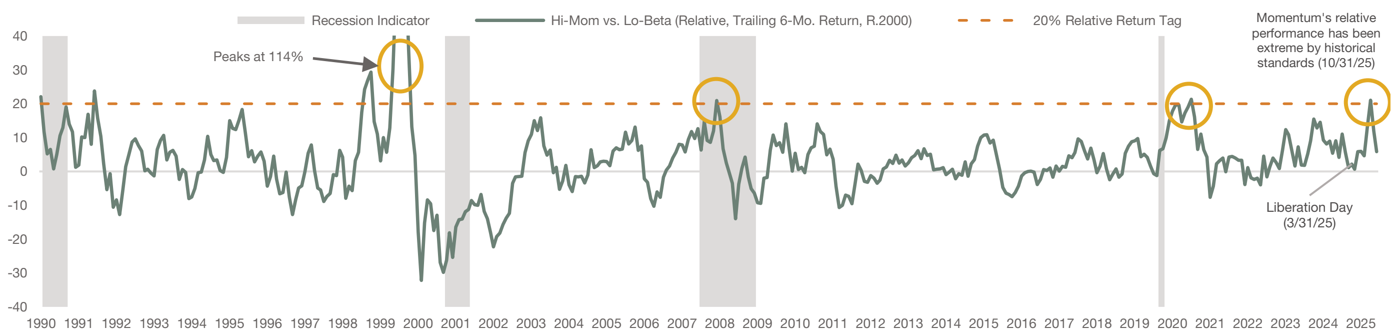
Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Relative performance is indexed to 100 at the market trough for each respective period.

Illustration 7: Factor Comparison in the Russell 2000® Value Index Since 2024 – High Momentum vs. Low Beta



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Momentum is calculated using a 9-month lookback. Cumulative factor returns represent first quintile performance minus Russell 2000® Value Index performance.

Illustration 8: Trailing 6-Month Relative Return of High Momentum vs. Low Beta in the Russell 2000® Index



Source: FactSet & Federal Reserve Economic Data (FRED). As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Illustration 9: Performance of Key Factors During Three Market Regimes in the Russell 2000® Value Index

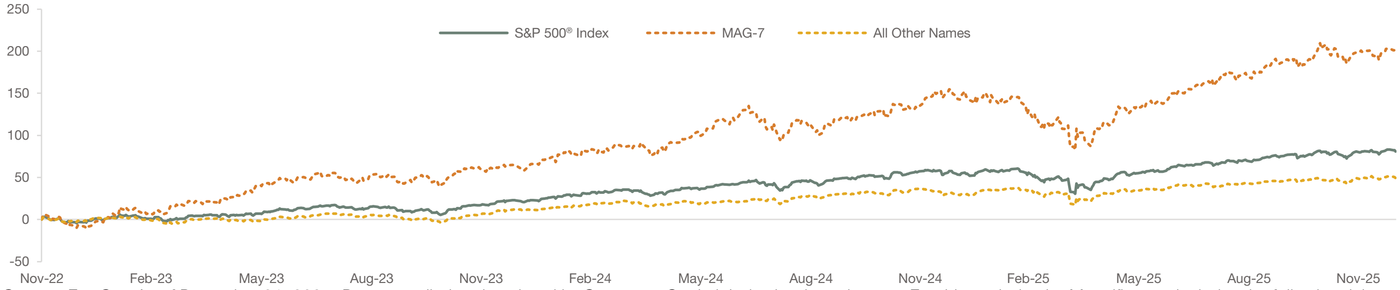
	Regime 1: Leading to Inauguration Day (1/1 – 1/17)	Regime 2: Post-Inauguration to April Lows (1/21 – 4/8)	Regime 3: Rebound off April Lows (4/9 – 12/31)
Beta Q1 (Highest)	2.5%	-32.3%	87.9%
Beta Q5 (Lowest)	0.3%	-9.7%	24.2%
Earners (Profitable)	2.2%	-18.6%	31.3%
Non-Earners (Loss-Making)	0.0%	-27.7%	70.7%
Short Interest Q1 (Highest)	1.4%	-31.2%	67.6%
Short Interest Q5 (Lowest)	1.0%	-14.0%	24.6%
Volatility Q1 (Highest)	1.7%	-28.2%	158.9%
Volatility Q5 (Lowest)	1.1%	-14.1%	17.2%

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. The market was closed for Inauguration Day in observance of Martin Luther King Jr. Day. As a result, "Regime 2" starts on 1/21/2025 instead of 1/20/2025.

One-Dimensional and Singularly Focused Market

10. Since the release of ChatGPT the market has been dominated by the MAG-7 stocks, as observed by the divergence of returns (Illustration 10).
11. The MAG-7 stocks have grown meaningfully since 2022, and these seven stocks dwarf the entire small-cap size segment (Illustration 11).
12. AI has been the dominant earnings and multiples driver, and now valuations for the MAG-7 stocks are trading at a notable premium relative to the rest of the market (Illustration 12).
13. The Russell 2000® Index is trading at a discount on multiple valuation metrics relative to larger peers (Illustration 13).
14. While valuations for the top 50 stocks in the S&P 500® Index are trading above average, they currently are not at levels reached at the peak of the Tech Bubble (Illustration 14).
15. The relative outperformance of the cap-weighted S&P 500® Index versus its equal-weighted counterpart since the release of ChatGPT is more pronounced than it was during the Tech Bubble (Illustration 15)

Illustration 10: S&P 500® Index Cumulative Performance Since ChatGPT Release – Total Index vs. Magnificent 7 & All Other Names



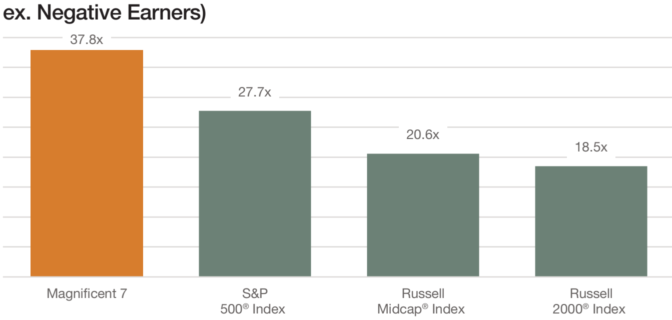
Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index level: total return. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA.

Illustration 11: The Evolution of the Magnificent 7 ($ Billions)

	AAPL	AMZN	GOOGL	META	MSFT	NVDA	TSLA	MAG-7	S&P 500® Index	Russel 2000® Index
Market Cap as of December 31, 2022	$2,058	$860	$1,134	$315	$1,786	$361	$390	$6,903	$35,202	$2,972
Market Cap as of December 31, 2025	$4,016	$2,467	$3,780	$1,664	$3,595	$4,533	$1,495	$21,550	$65,853	$3,441
% Change in Market Cap Since 2022	*95%*	*187%*	*233%*	*429%*	*101%*	*1157%*	*284%*	*212%*	*87%*	*16%*
% of Total S&P 500® Index Market Cap	*6.1%*	*3.7%*	*5.7%*	*2.5%*	*5.5%*	*6.9%*	*2.3%*	*32.7%*	*100.0%*	*5.2%*

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Illustration 12: Valuations of the Magnificent 7 vs. Major Indices (P/E ex. Negative Earners)



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA.

Illustration 13: Russell 2000® Index Relative Valuations

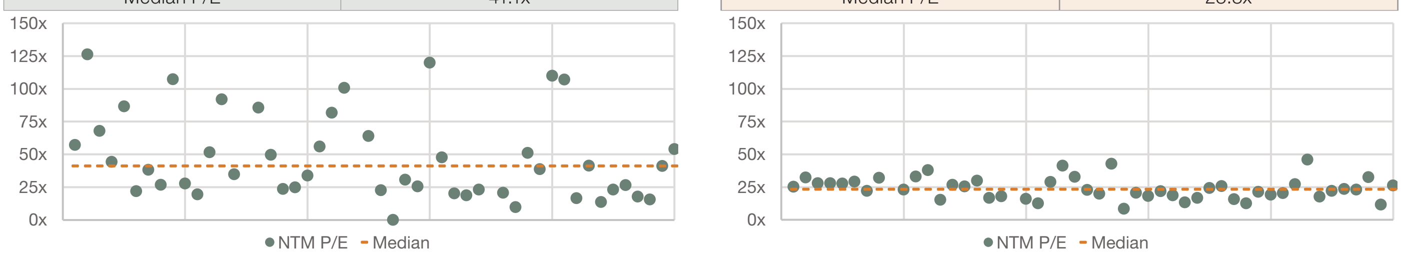
	Current Multiple	Long-Term Average Multiple	Diff from Long-Term Average	Valuation Discount to Large-Cap	Valuation Discount to Mega-Cap
P/E – TTM	18.2x	17.3x	5.6%	0.7x	0.6x
P/E – NTM	15.5x	15.7x	-1.2%	0.7x	0.7x
EV/EBITDA	11.8x	9.7x	21.0%	0.6x	0.6x
P/S	1.5x	1.1x	36.9%	0.4x	0.4x
P/B	2.2x	2.0x	9.9%	0.4x	0.4x

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. The S&P 500® Index and the Russell Top 200® Index are used to represent large- and mega-cap valuations, respectively.

Illustration 14: Historical Valuations of Top 50 Largest Stocks in the S&P 500® Index (NTM P/E)

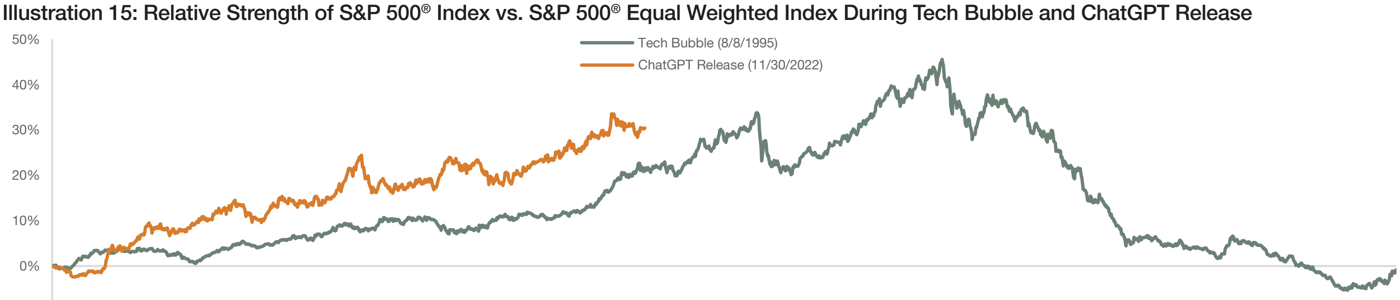
March 31, 2000	
High P/E	425.0x
Low P/E	9.7x
Median P/E	41.1x

December 31, 2025	
High P/E	208.6x
Low P/E	8.3x
Median P/E	23.3x



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. The top 50 largest stocks in the S&P 500® Index are defined by market capitalization. March 31, 2000 scatter plot does not show companies with NTM P/E greater than 150x.

Illustration 15: Relative Strength of S&P 500® Index vs. S&P 500® Equal Weighted Index During Tech Bubble and ChatGPT Release



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

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Highly Concentrated Market

16. A highly concentrated market created a challenging backdrop for diversified active portfolios (Illustration 16).
17. The number of stocks that outperformed the broader S&P 500® Index remained low by historical standards. This was a continuation of a similar trend from the past two years. Aside from the past three years, the last time the percent of stocks outperforming the broader benchmark was this low was in the late 1990s (Illustration 17).

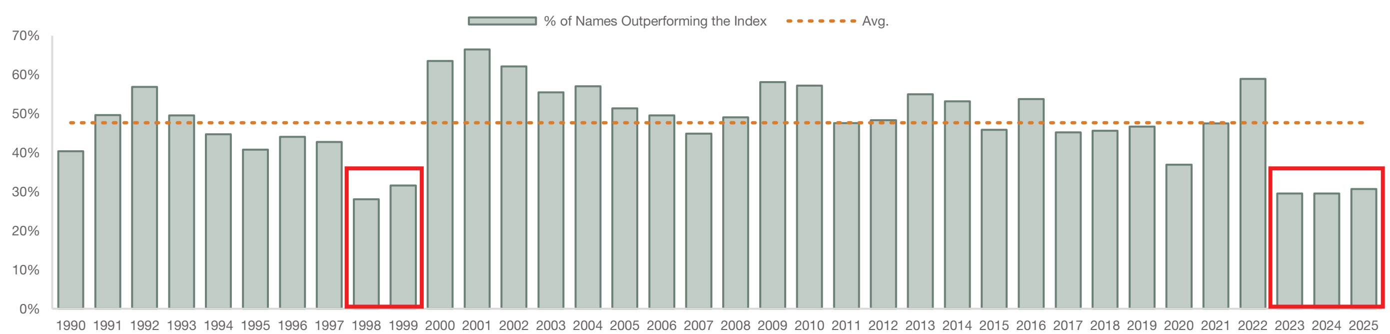
Illustration 16: Concentration of Top 50 Contributors in the S&P 500® Index & the Russell 2000® Value Index Since 1994

Year	S&P 500® Index Total Return	Top 50 Contributors: Contribution to Total Return	Top 50 Contributors: Contrib. to Return as % of Overall Index Return
2023	26.3%	24.5%	93%
2025	**17.9%**	**16.6%**	**93%**
2024	25.0%	22.0%	88%
1998	28.6%	24.2%	85%
2004	10.9%	8.3%	76%
2006	15.8%	11.1%	70%
2016	12.0%	7.9%	66%
2017	21.8%	14.3%	66%
2009	26.5%	17.3%	65%
1996	23.0%	15.0%	65%
2021	28.7%	18.5%	65%
2014	13.7%	8.7%	63%
1997	33.4%	20.5%	62%
2010	15.1%	9.2%	61%
2003	28.7%	17.6%	61%
2012	16.0%	9.7%	61%
2019	31.5%	17.7%	56%
1995	37.6%	20.3%	54%
2013	32.4%	15.5%	48%

Year	Russell 2000® Value Index Total Return	Top 50 Contributors: Contribution to Total Return	Top 50 Contributors: Contrib. to Return as % of Overall Index Return
2024	8.1%	6.3%	78%
2025	**12.6%**	**9.6%**	**76%**
2017	7.8%	5.0%	64%
2000	22.8%	14.0%	61%
2023	14.6%	7.7%	53%
2009	20.6%	10.1%	49%
2001	14.0%	6.7%	48%
2012	18.1%	6.3%	35%
2021	28.3%	9.7%	34%
2019	22.4%	7.3%	33%
1996	21.4%	6.8%	32%
2010	24.5%	7.2%	29%
2004	22.2%	6.4%	29%
2006	23.5%	6.5%	28%
1995	25.7%	7.1%	28%
2016	31.7%	8.6%	27%
1997	31.8%	7.4%	23%
2013	34.5%	8.0%	23%
2003	46.0%	9.8%	21%

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. To normalize data, only years where index total return was greater than 6% were included in the analysis.

Illustration 17: Percentage of Names Outperforming the Broader S&P 500® Index Annually

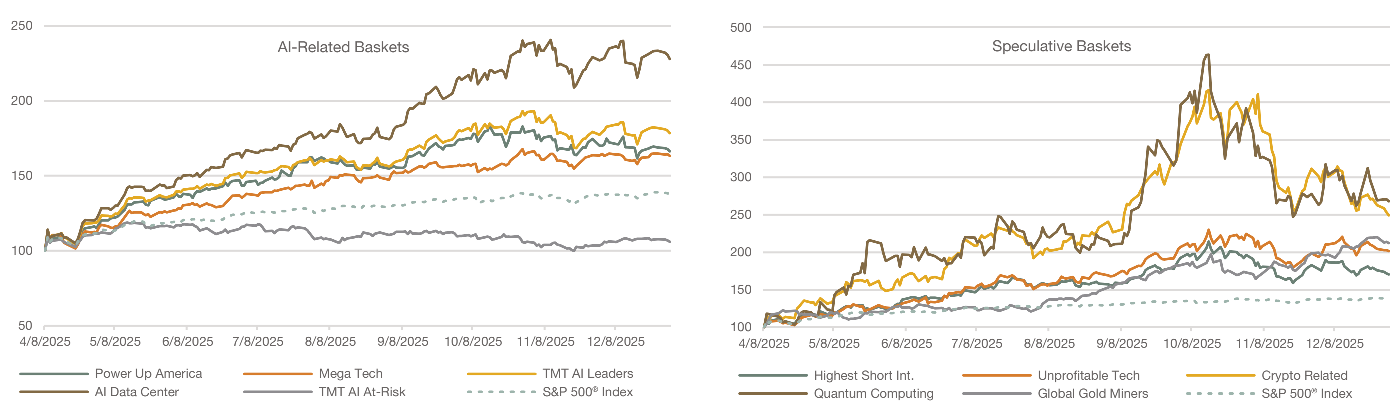


Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Market Rally With a Speculative Flare

18. The market rally off the April low has been highly thematic and dominated by speculative themes, as observed in Illustration 18.

Illustration 18: Performance of S&P 500® Index vs. Goldman Thematic Baskets Since April 2025 Tariff Pause



Source: FactSet & Goldman Sachs. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index level: price return. Cumulative performance is indexed to 100 on April 8, 2025.

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Stocks With Higher Valuations Were Rewarded in 2025

19. In a market dominated by themes, there was little focus on valuations. Illustration 19 depicts that the top 50 most traded stocks by dollar volume in the S&P 500® Index had a median EV/Sales ratio that reached 7x—the highest level since the Tech Bubble era.
20. Illustration 20 shows that close to 40% of the S&P 500® Index trading volume in 2025 was attributed to stocks trading at EV/Sales multiples above 10x. Again, these are levels last seen during the Tech Bubble era.
21. Illustration 21 highlights that the tranche with the highest multiples (>15x P/S) within the S&P 500® Index and the Russell 2000® Value Index outperformed tranches with lower valuation multiples since the April equity market lows.

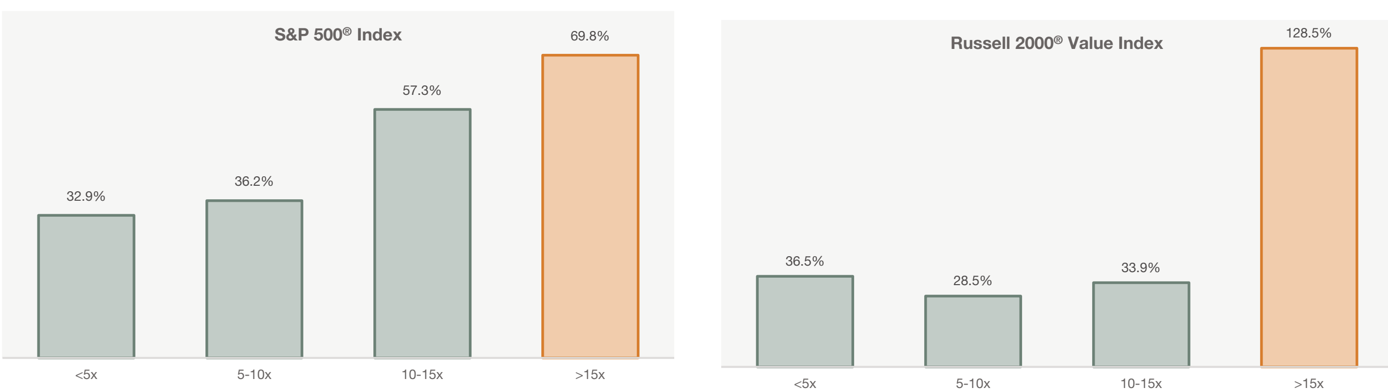
Illustration 19: Valuation of Top 50 Stocks with Highest Trading Volume in the S&P 500® Index Since 1990 (Median EV/Sales)

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Illustration 20: Percentage of Overall Trading Volume for Stocks in the S&P 500® Index with EV/Sales >10x Since 1990

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Illustration 21: Performance Breakdown of the S&P 500® Index and the Russell 2000® Value Index Since April 2025 Tariff Pause (LTM P/S)

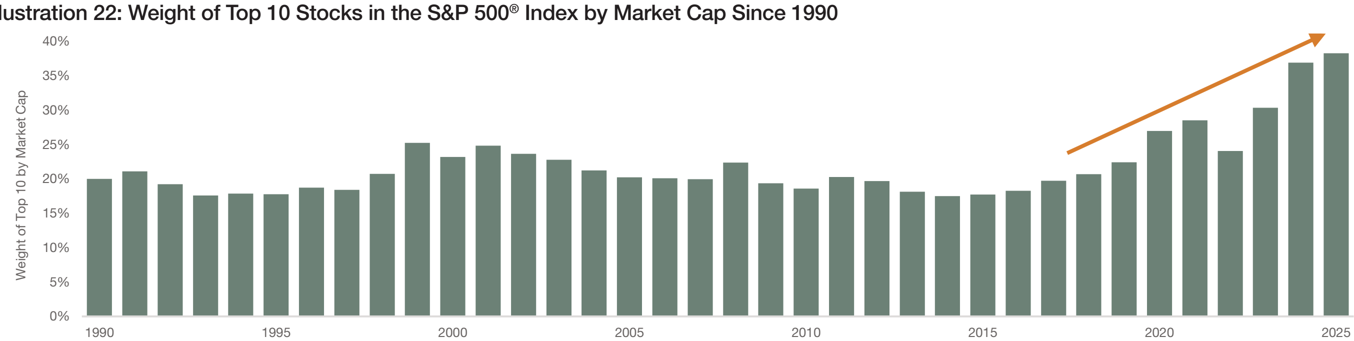


Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index level: total return. Cumulative performance begins on April 9, 2025.

Evolution of the S&P 500® Index

22. The S&P 500® Index has become a top-heavy index, with the top 10 stocks by market capitalization making up roughly 38% of the overall index (Illustration 22).
23. The top 10 stocks by market capitalization in the S&P 500® Index constitute a larger percentage today versus the Index at the peak of the Tech Bubble (Illustration 23).
24. The current weight of the Information Technology sector within the S&P 500® Index is akin to its weight at the height of the Tech Bubble (Illustration 24).

Illustration 22: Weight of Top 10 Stocks in the S&P 500® Index by Market Cap Since 1990



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

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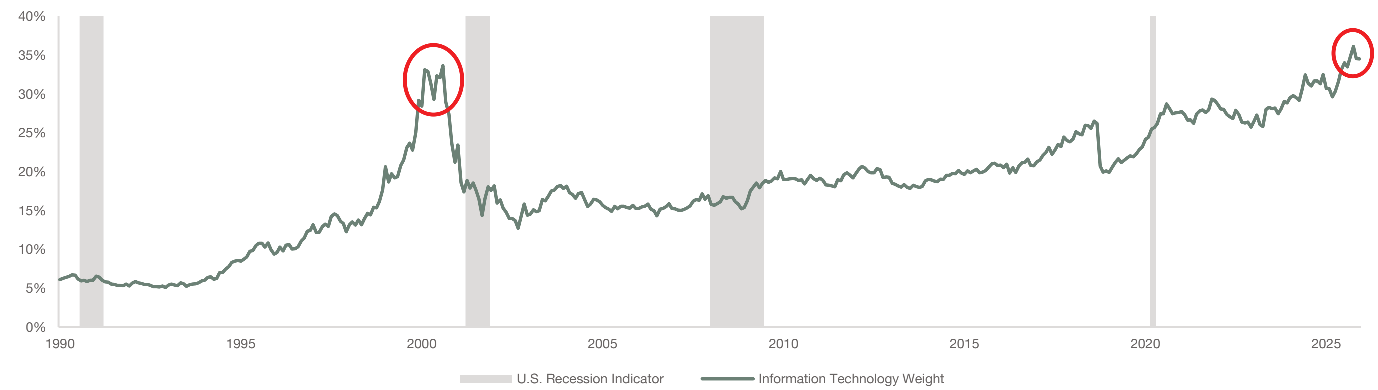
Illustration 23: Top 10 Stocks in the S&P 500® by Market Cap – Tech Bubble Peak in 2000 vs. Current Environment

Tech Bubble Market Peak – March 23, 2000		
Name	Market Cap ($ Billions)	% Weight
Microsoft Corp.	$579	4.5%
Cisco Systems, Inc.	$536	4.1%
GE Aerospace	$526	4.1%
Intel Corp.	$476	3.7%
Exxon Mobil Corp.	$263	2.0%
Oracle Corp.	$247	1.9%
Walmart, Inc.	$241	1.9%
Nortel Networks Corp.	$378	1.5%
AT&T Corp.	$339	1.4%
QUALCOMM, Inc.	$408	0.8%
Total	**$3,992**	**25.9%**

Current Environment – December 31, 2025		
Name	Market Cap ($ Billions)	% Weight
NVIDIA Corp.	$4,533	7.8%
Apple, Inc.	$4,016	6.9%
Microsoft Corp.	$3,595	6.2%
Amazon.com, Inc.	$2,467	3.8%
Alphabet, Inc.	$3,780	3.1%
Broadcom Inc.	$1,641	2.8%
Meta Platforms, Inc.	$1,664	2.5%
Tesla, Inc.	$1,495	2.2%
Berkshire Hathaway, Inc.	$1,084	1.6%
Eli Lilly & Co.	$1,016	1.5%
Total	**$25,292**	**38.2%**

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Parent company data used for analysis; thus, ticker GOOG was excluded from top 10 for 12/31/2025.

Illustration 24: Weight of Information Technology in the S&P 500® Index Since 1990



Source: FactSet & Federal Reserve Economic Data (FRED). As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

Based on History, Returns in 2026 Could Still Be Positive

25. The outlook for positive returns for the S&P 500® Index following three consecutive years of double-digit returns is favorable. In the prior nine occasions since 1971 when the S&P 500® Index posted three consecutive years of positive returns, returns were positive in the fourth year in all instances (Illustration 25).
26. Since 1986, returns for major size and style segments were favorable following three years of consecutive double-digit returns. The only exception was the Russell 2000® Value Index (Illustration 26).

Illustration 25: Top 10 Years of Annualized 3-Year Rolling Returns for the S&P 500® Index Since 1971

Rank	Year-End	Annualized 3-Yr. Total Return	Following Year Total Return
1	1997	31.1%	28.2%
2	1998	28.2%	27.6%
3	1999	27.6%	12.3%
4	2021	26.1%	7.7%
5	**2025**	**23.0%**	**???**
6	2014	20.4%	15.1%
7	1985	19.7%	18.4%
8	1996	19.7%	31.1%
9	1980	18.8%	14.3%
10	1991	18.5%	10.8%

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index level: total return.

Illustration 26: Instances of 3 Consecutive Years of Double-Digit Returns for Major Indices Since 1986

Index	# of Occurrences	Avg. Return the Year Following Occurrences
S&P 500® Index	7	8.7%
Russell 1000® Index	7	8.6%
Russell 1000® Growth Index	9	13.1%
Russell 1000® Value Index	7	5.3%
Russell Midcap® Index	10	8.4%
Russell Midcap® Growth Index	9	5.7%
Russell Midcap® Value Index	6	3.4%
Russell 2000® Index	5	5.6%
Russell 2000® Growth Index	3	24.9%
Russell 2000® Value Index	2	-4.0%

Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index level: total return.

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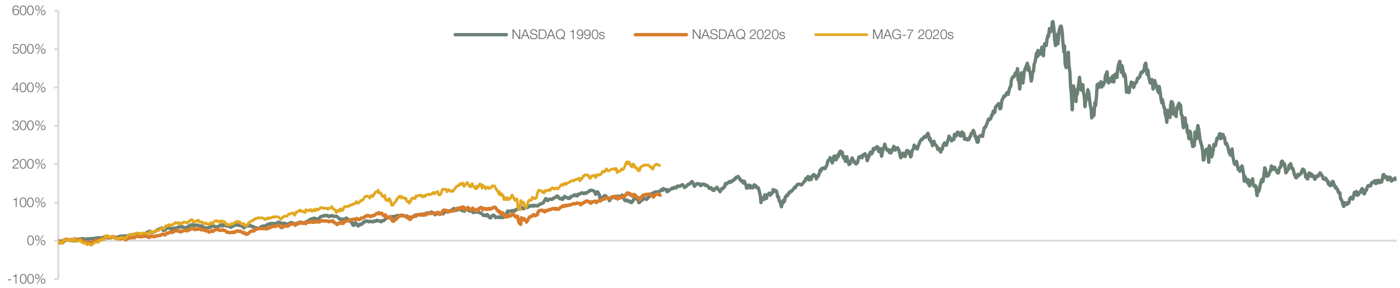
If Comparing to the Dot-Com Era, There's Room to Run

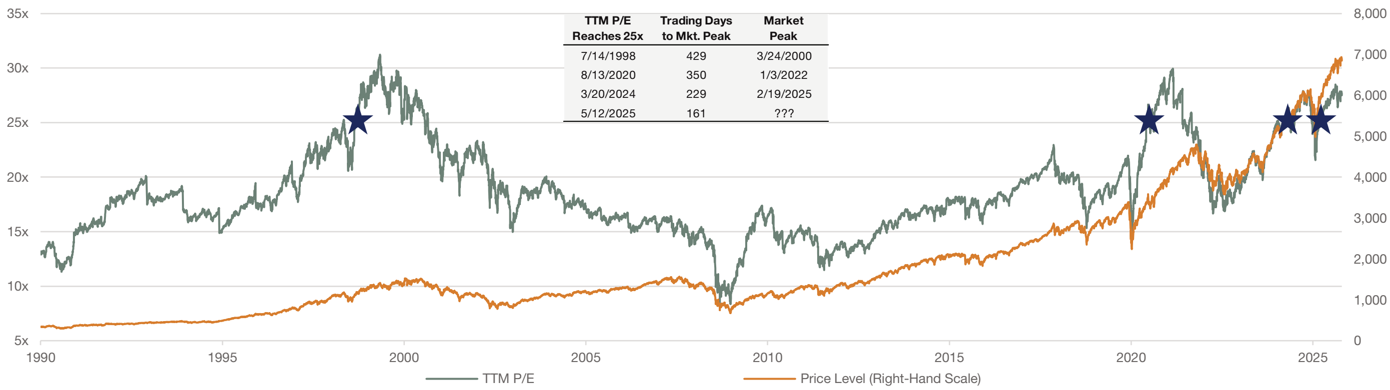
27. As can be observed in Illustration 27, the Nasdaq Composite is following a path similar to the one taken during the 1990s. However, when the MAG-7 stocks are evaluated on their own, they are diverging higher at a quicker pace.
28. The valuation (TTM P/E) for the S&P 500® Index has remained above 25x for over 160 days. However, based on history, the valuation for the Index can remain above 25x for longer before eventually peaking (Illustration 28).
29. The Nasdaq's rise during the 1990s was not a smooth one. In fact, there were eight corrections of 10% or more before the Index eventually peaked in 2000. In other words, the origin of the dot-com era bubble was not a linear one. By contrast, during the current AI-fueled meltup, there have been four such corrections since the launch of ChatGPT in 2022 (Illustration 29).
30. Even when comparing Nvidia to Cisco in the 1990s, Nvidia's meteoric rise may not be over. As Illustration 30 highlights, Nvidia was trading at 24.4x price/sales at the end of the fourth quarter. CISCO peaked at 39x price/sales in 2000.
31. Whether the market is in a bubble is up for debate; however, here's some food for thought. Illustration 31 depicts that it's been approximately 17 years since there's been a major bubble burst in the market—marking a long streak versus history.

Illustration 27: Performance of Tech Today vs. 1990s



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Cumulative performance for NASDAQ 1990s begins on 12/30/1994. Cumulative performance for NASDAQ 2020s and MAG-7 2020s is 11/1/2022. For this analysis, the Magnificent 7 includes the following tickers: AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, TSLA.

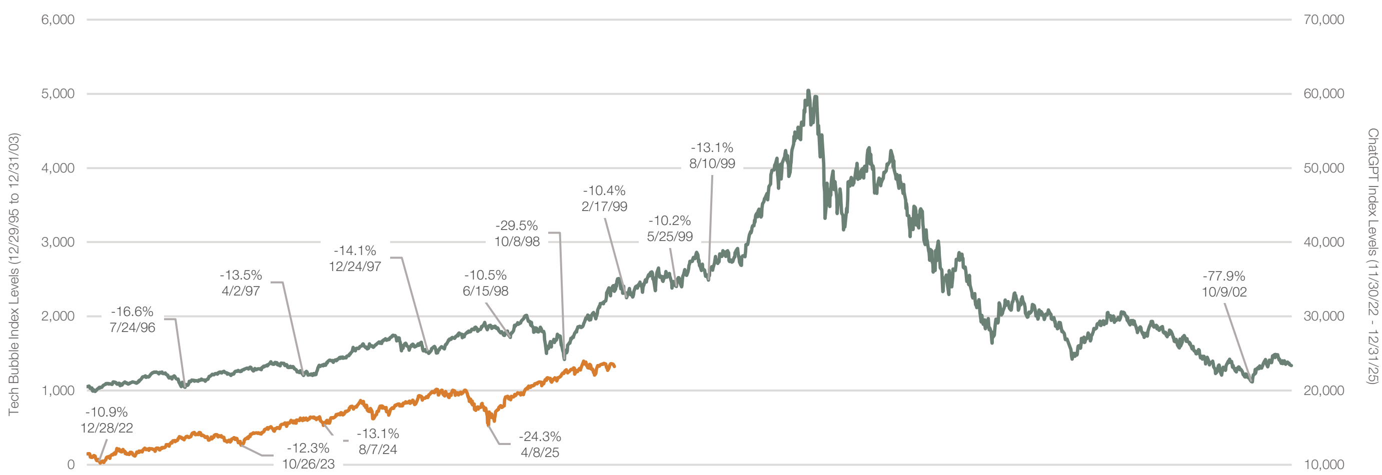
Illustration 28: S&P 500® Index Valuation vs. Price Level Since 1990



TTM P/E Reaches 25x	Trading Days to Mkt. Peak	Market Peak
7/14/1998	429	3/24/2000
8/13/2020	350	1/3/2022
3/20/2024	229	2/19/2025
5/12/2025	161	???

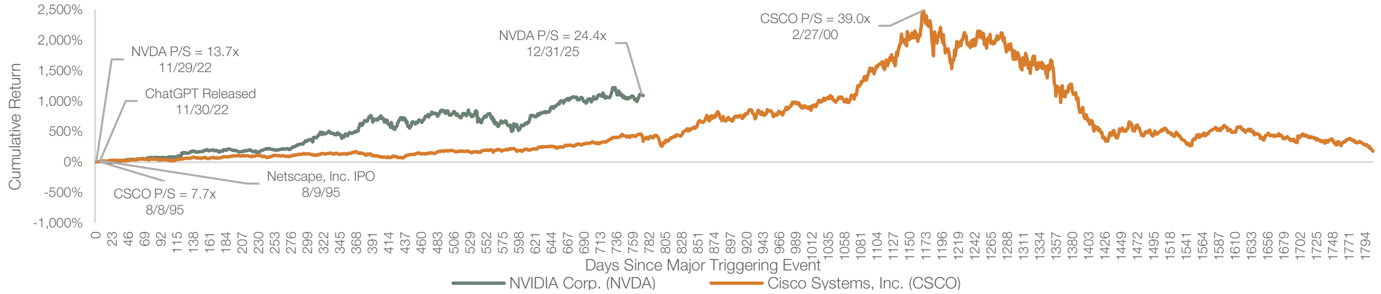
Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. TTM P/E excludes non-earners.

Illustration 29: Declines Greater than 10% in the Nasdaq Composite – Tech Bubble vs. ChatGPT Release



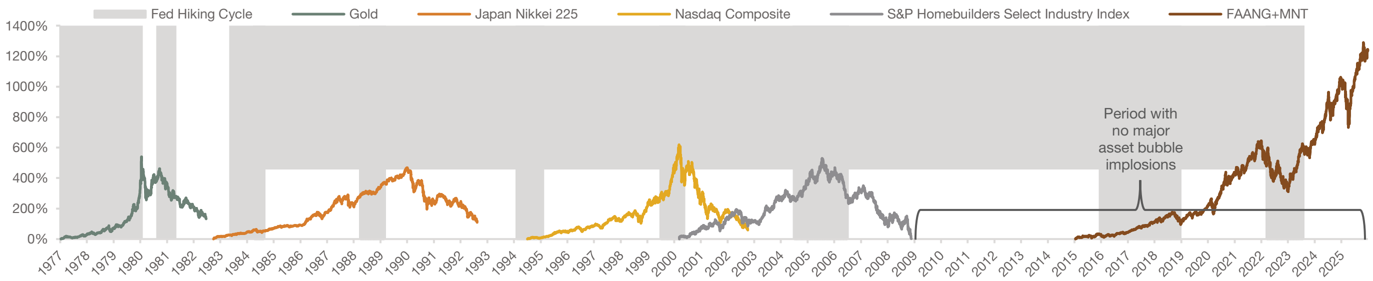
Source: Federal Reserve Economic Data (FRED). As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Index levels for the Tech Bubble are from 12/29/95 to 12/31/03. Index levels for ChatGPT Release are from 11/30/22 to 12/31/25. Data shown in illustration represents peak to trough performance for each respective period.

Illustration 30: The Rise of Cisco Systems, Inc. (1995) vs. NVIDIA Corp. (2025)



Source: FactSet. As of December 31, 2025. Data compiled and analyzed by Sycamore Capital. Cumulative performance for CSCO begins on August 8, 1995. Cumulative performance for NVDA begins on November 29, 2022.

Illustration 31: Historical Asset Class Bubbles vs. Fed Hiking Cycles



Source: FactSet & Federal Reserve Economic Data (FRED). As of December 31, 2025. Data compiled and analyzed by Sycamore Capital.

CONCLUDING REMARKS

The market pitched investors another curveball in 2025. Market participants were not only caught off guard by the rapid sell-off following the policy uncertainty spike in the first quarter—many investors, including ourselves, underappreciated the appetite for risk that would ensue. The rally off the April lows was not the typical "run-of-the-mill" rally. On the contrary, it was an unusual rally that typically occurs after major market corrections. While the uncertainty-induced sell-off was swift during the first quarter, its severity was less than what occurred following the other notable events such as the Tech Bubble, GFC or COVID-19 pandemic—which made the bounce off the bottom one for the record books.

Now that the market has posted three consecutive years of double-digit growth, the question is whether the momentum can continue. If history is a guide, the odds are favorable that the market could post another year of positive returns. The buzz around AI is not likely to go away anytime soon. The U.S. economy is expected to grow at a healthy clip. While the labor market has softened, it is still relatively stable. Inflation also appears to be anchored—at least for now. Add all these to the prospect of easing monetary policy in 2026, and investors should be able to find reasons to remain constructive about the outlook for U.S. equities.

However, investors should also assess the current backdrop with prudence. After all, Mr. Market always finds a way to surprise investors. While the backdrop for further upside remains constructive, risks are lingering beneath the surface. Principal among those is the path of the AI investment cycle. The fledgling technology has been the key driver of earnings and multiple expansion over the past couple of years, as highlighted throughout this commentary. However, there are governors that are emerging that may put a lid on the pace of growth in the AI investment cycle. These constraints are primarily centered around power availability, transmission and affordability.

It is no secret that AI's power needs are enormous. The U.S. power infrastructure currently lacks the readiness to absorb this voracious demand without transmission bottlenecks becoming a headwind. A report released by Americans for a Clean Energy Grid and Grid Strategies in July warns that the United States is failing to build the high-voltage transmission infrastructure needed to support the nation's surging electricity demand and growing strategic industries. The U.S. Department of Energy's (DOE) 2024 National Transmission Planning Study implied that a build-out of roughly 5,000 miles per year of high-capacity regional transmission is needed to support grid reliability, reduce congestion, and enable continued economic growth. In 2024, only 322 miles of new high-voltage transmission lines were completed. Importantly, permitting timelines can take up to 7–10 years, and even large utilities often miss deadlines. Furthermore, utilities affordability and NIMBY-ism (not in my back yard) are increasingly becoming a point of contention across parts of the country—especially given that traditional data center hubs are saturated—forcing hyperscalers to look elsewhere for expansion.

With scrutiny of the AI trade intensifying—particularly surrounding ROI, profitability, free-cash-flow erosion, debt levels, and nebulous financing arrangements—the aforementioned constraints could also put the AI capex cycle at risk beyond 2026. Not to mention that emerging technologies often "over-promise and under-deliver."

While the implications for the broader market remain unclear, it is possible that there may be episodic rotations away from Big Tech and into pockets of the economy that have been neglected. Like fundamental investors, asset allocators find themselves in a predicament heading into 2026 given the extreme concentration (especially in the S&P 500® Index) and lofty valuations in some pockets of the market. We would not be surprised if other size segments such as small- and mid-cap equities have their occasional day in the sun. However, sustained outperformance may remain elusive unless the economy broadens out and the ISM enters an expansionary phase.

In closing, the past couple of years have been especially challenging for our strategies. As we have messaged to our clients over the year, a mosaic of factors has been the source of relative underperformance. Some are self-inflicted; others are a function of a market that has been at odds with our investment approach. We have been employing a bottom-up fundamental value approach for over two decades. We've had some good years and some bad ones. However, our track record demonstrates that there have been more good years than bad ones. That's the nature of this business. No one bats 1,000 in the investment profession.

The past year has been unique, to say the least. It is not often that the market becomes so obsessed with speculative themes that fundamentals become an afterthought. A major overhaul would have been needed for a bottom-up fundamental approach to keep up in an environment like the one we've experienced since the April lows. That's why we believe it is a dangerous game to overhaul a time-tested process to offset some of the short-term market headwinds. Having conviction in your process is just as important (if not more so) when your approach is out of favor than when the wind is at your back.

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QTD Top Contributors (%)	
Tower Semiconductor Ltd.	0.5
Sandisk Corp.	0.4
Hub Group, Inc.	0.3
Photronics, Inc.	0.3
Warrior Met Coal, Inc.	0.3
QTD Top Detractors (%)	
Crane NXT Co.	-0.4
Gibraltar Industries, Inc.	-0.3
Walker & Dunlop, Inc.	-0.3
Visteon Corp.	-0.2
Valvoline, Inc.	-0.2

Source: FactSet.

Top Holdings (%)	
Hub Group, Inc.	1.6
United Bankshares, Inc.	1.6
Old National Bancorp	1.5
Renasant Corp.	1.5
McGrath RentCorp	1.4
NCR Atleos Corp.	1.4
UMB Financial Corp.	1.4
IDACORP, Inc.	1.4
Hayward Holdings, Inc.	1.4
Lazard, Inc.	1.3

				ANNUALIZED RETURNS					
Investment Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception*	Expense Ratio Gross	Expense Ratio Net
A-Shares (without sales charge)	0.72	1.41	1.41	5.82	6.66	9.19	9.46	1.23	1.23
A-Shares (with max. sales charge 5.75%)	-5.07	-4.41	-4.41	3.76	5.40	8.55	9.22	1.23	1.23
Russell 2000® Value Index	3.26	12.59	12.59	11.73	8.88	9.27	—		

Source: Citi. Returns are calculated and stated in U.S. dollars.
**Since inception start date: March 26, 1999.*

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.

Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year are annualized.

Other share classes are available for which performance and expenses will differ.

Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2026.

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.

Investments in **smaller companies** typically exhibit higher volatility. **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 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. Investments in companies in the **industrials sector**, including producers of durable goods and companies that process raw materials, may be adversely affected by changes in supply and demand for products and services, governmental regulation and changes in spending policies, world events and economic conditions. The portfolio is also subject to **liquidity risk**, which is the risk that the Adviser may not be able to sell a security at an advantageous time or price, which may adversely affect the portfolio. 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 Russell 2000® Value Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 2000® Index with lower price-to-book ratios and lower forecasted growth values. Index returns are for illustrative purposes only and do not represent actual Fund performance. Index performance does not reflect management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee f uture results.

Fund holdings are subject to change and should not be construed as investment advice or a recommendation to buy, sell, or hold any security. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. Top holdings do not reflect cash, money market instruments or options/futures contracts holdings. The most currently available data regarding portfolio holdings can be found on our website, *www.vcm.com*.

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.

Contributors and Detractors Source: FactSet. The contributors and detractors mentioned are presented to illustrate examples of the Fund's investments and may not be representative of the Fund's current or future investments. Percentages shown are for the most recent quarter.

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. The securities highlighted, if any, were not intended as individual investment advice.

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IMPORTANT INFORMATION – GLOSSARY TERMS

Price-to-Sales is the ratio of a stock's price to its per-share sales.

Average P/E Ratio (trailing or last 12 months "LTM") is the current price of the stock divided by the actual earnings per share for the past 12 months.

Average P/E Ratio (estimated or next 12 months "NTM") is the current price of a stock divided by the estimated one-year projection of its earnings per share.

Beta measures the price volatility, or the level of risk, of a stock relative to the broader market. A beta of 1 indicates that the security's price has moved with the market. A beta of less than 1 means that the security has been less volatile than the market. A beta of greater than 1 indicates that the security's price has been more volatile than the market.

Price momentum refers to the speed or velocity of price changes in security; it can be positive or negative.

Price-to-Book is the ratio of a stock's market value (price) to the value of total assets less total liabilities (book value).

Enterprise value (EV) measures a company's total value, often used as a more comprehensive alternative to equity market capitalization. Enterprise value includes in its calculation the market capitalization of a company but also short-term and long-term debt and any cash on the company's balance sheet.

Short interest is the percentage of a stock's total trading volume that has been sold short. High short interest can be a sign that the market expects a share price to fall.

Forward Earnings Growth is the expected percentage increase in a company's earnings per share (EPS) over the next 12 months (or future period) compared to the current or prior period.

EBITDA Earnings Before Interest, Taxes, Depreciation, and Amortization—a measure of a company's operating profitability before accounting for financing decisions, tax rates, and non-cash expenses.

Momentum is the tendency of stocks or assets that have performed well (or poorly) in the recent past to continue performing well (or poorly) in the near future.

FCF/Price is how much actual cash a company generates compared to what it costs to buy the stock.

FCF/Debt is the ratio of a company's free cash flow to its total debt, showing how easily it can cover or pay down what it owes.

Low Capex (Capital Expenditures) is a company that spends relatively little cash on buying or upgrading physical assets like equipment, buildings, or technology.

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