



December 31, 2020

# Annual Report

Victory RS Partners Fund

Victory RS Value Fund

Victory RS Large Cap Alpha Fund

Victory RS Investors Fund

Victory Global Natural Resources Fund

As permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Victory Funds' shareholder reports may no longer be sent by mail, unless you specifically request paper copies of the reports from the Victory Funds or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on [www.VictoryFunds.com](http://www.VictoryFunds.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change, and you need not take any action.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your reports. If you invest directly with the Victory Funds, you can call 800-539-3863 (800-235-8396 for Member Class) or send an e-mail request to [TA.Processing@FISGlobal.com](mailto:TA.Processing@FISGlobal.com). Your election to receive reports in paper will apply to all Victory Funds you hold directly or through your financial intermediary.

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The Victory Funds site gives fund shareholders, prospective shareholders, and investment professionals a convenient way to access fund information, get guidance, and track fund performance anywhere they can access the Internet. The site includes:

- Detailed performance records
- Daily share prices
- The latest fund news
- Investment resources to help you become a better investor
- A section dedicated to investment professionals

Whether you're a potential investor searching for the fund that matches your investment philosophy, a seasoned investor interested in planning tools, or an investment professional, [www.vcm.com](http://www.vcm.com) has what you seek. Visit us anytime. We're always open.

## Table of Contents

## Victory Portfolios

<b>Shareholder Letter (Unaudited)</b>	<b>3</b>
<b>Managers' Commentary and Investment Overview (Unaudited)</b>	<b>5</b>
<b>Investment Objective and Portfolio Holdings (Unaudited)</b>	<b>22</b>
<b>Financial Statements</b>	
<i>The Victory Value Funds</i>	
<b>Victory RS Partners Fund</b>	
Schedule of Portfolio Investments	27
Statement of Assets and Liabilities	39
Statement of Operations	41
Statements of Changes in Net Assets	43-45
Financial Highlights	50-51
<b>Victory RS Value Fund</b>	
Schedule of Portfolio Investments	30
Statement of Assets and Liabilities	39
Statement of Operations	41
Statements of Changes in Net Assets	43-45
Financial Highlights	52-53
<b>Victory RS Large Cap Alpha Fund</b>	
Schedule of Portfolio Investments	33
Statement of Assets and Liabilities	39
Statement of Operations	41
Statements of Changes in Net Assets	43-45
Financial Highlights	54-55
<b>Victory RS Investors Fund</b>	
Schedule of Portfolio Investments	36
Statement of Assets and Liabilities	40
Statement of Operations	42
Statements of Changes in Net Assets	46-48
Financial Highlights	56-57
<b>Victory Global Natural Resources Fund</b>	
Schedule of Portfolio Investments	38
Statement of Assets and Liabilities	40
Statement of Operations	42
Statements of Changes in Net Assets	46-48
Financial Highlights	58-59
<b>Notes to Financial Statements</b>	<b>60</b>
<b>Report of Independent Registered Public Accounting Firm</b>	<b>70</b>
<b>Supplemental Information (Unaudited)</b>	<b>71</b>
<i>Trustee and Officer Information</i>	<b>71</b>
<i>Proxy Voting and Portfolio Holdings Information</i>	<b>74</b>
<i>Expense Examples</i>	<b>74</b>
<i>Additional Federal Income Tax Information</i>	<b>76</b>
<i>Advisory Contract Approval</i>	<b>77</b>
<i>Privacy Policy (inside back cover)</i>	

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*We generally must withhold federal income tax at a rate of 10% of the taxable portion of your distribution and, if you live in a state that requires state income tax withholding, at your state's tax rate. However, you may elect not to have withholding apply or to have income tax withheld at a higher rate. Any withholding election that you make will apply to any subsequent distribution unless and until you change or revoke the election. If you wish to make a withholding election, or change or revoke a prior withholding election, call 800-539-3863 (800-235-8396 for Member Class) and form W-4P (OMB No. 1545-0074 withholding certificate for pension or annuity payments) will be electronically sent.*

*If you do not have a withholding election in place by the date of a distribution, federal income tax will be withheld from the taxable portion of your distribution at a rate of 10%. If you must pay estimated taxes, you may be subject to estimated tax penalties if your estimated tax payments are not sufficient and sufficient tax is not withheld from your distribution.*

*For more specific information, please consult your tax adviser.*

*The Funds are distributed by Victory Capital Services, Inc. Victory Capital Management Inc. is the investment adviser to the Funds and receives fees from the Funds for performing services for the Funds.*

*This report is not authorized for distribution to prospective investors unless preceded or accompanied by a current prospectus of the Victory Funds.*

*For additional information about any Victory Fund, including fees, expenses, and risks, view our prospectus online at [www.vcm.com](http://www.vcm.com) or call 800-539-3863 (800-235-8396 for Member Class). Read it carefully before you invest or send money.*

*The information in this annual report 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. Past investment performance of the Funds, markets or securities mentioned herein should not be considered to be indicative of future results.*

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*Call Victory at:  
800-539-FUND (800-539-3863)  
800-235-8396 for Member Class*

*Visit our website at:  
[www.vcm.com](http://www.vcm.com)*

# *Victory Funds Letter to Shareholders*

*(Unaudited)*

Dear Shareholder,

When we look back on 2020, we will undoubtedly remember it as an extraordinary year. A year ago, no one could have imagined the unusual events that would challenge us personally, professionally, and collectively as a nation. But in retrospect, the trajectory of financial markets over the past year was nothing short of extraordinary.

The year began with rudimentary worries, such as economic growth rates, trade deals, and interest rates. But a novel coronavirus and the subsequent worldwide spread of COVID-19 became an unprecedented event. To combat the pandemic, governments everywhere issued austere shelter-in-place orders, and the global economy slowed markedly. Equity markets sold off sharply in March and April, and second quarter U.S. GDP contracted by an alarming annual rate of 31.4%.

It's no surprise that so many investors flocked to the perceived safety of U.S. Treasuries. Meanwhile, liquidity evaporated (for a short spell) in many other segments of the fixed income market, including higher-yielding credits and municipal bonds. The outlook was tenuous, and credit spreads widened while prices declined for most securities perceived to be higher risk.

A response, however, came swiftly. The U.S. Federal Reserve (the "Fed") and other monetary authorities worldwide leapt into action — cutting interest rates, (re)starting quantitative easing and, in the case of the Fed, launching an array of programs to provide liquidity to stabilize fixed-income markets. The U.S. government also stepped up to provide fiscal stimulus in the form of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

It was impressive how quickly those actions helped end the stock market's freefall and restore order across much of the fixed-income universe. The rebound was almost as robust as the drawdown, and third-quarter GDP (the most recent finalized data available) grew at a 33.4% annualized rate.

Late in the year, markets were alternately fueled and roiled by a contentious election season, growing optimism for an effective vaccine, and a fluid debate regarding the need for additional fiscal stimulus. Ultimately, stocks were propelled higher in the fourth quarter when it became clear the United States Congress would provide another dose of fiscal stimulus in the form of direct payments, more unemployment insurance, and additional aid to businesses.

Through all the unprecedented events and extreme volatility, the S&P 500® Index registered an impressive annual return of 18.40% for the 12-month period ended December 31, 2020. Meanwhile, the yield on 10-year U.S. Treasuries declined 95 basis points over the same period, reflecting both the Fed's interest rate cuts and its pledge to keep rates low longer. The yield on 10-Year U.S. Treasuries was 0.93% as of December 31, 2020.

While markets endured and performed admirably during 2020, perhaps the key takeaway is that the unexpected can and will happen. That's why it's important to

remain focused on your long-term investment goals and avoid making emotional decisions. Moreover, we continue to have confidence in all of Victory Capital's autonomous Investment Franchises and their ability to navigate the ups and downs.

On the following pages, you will find information relating to your Victory Funds investment. If you have any questions, we encourage you to contact your financial advisor. Or, if you invest with us directly, you may call 800-539-3863 (800-235-8396 for Member Class), or visit our website at [www.vcm.com](http://www.vcm.com).

My colleagues and I sincerely appreciate the confidence you have placed in the Victory Funds, and we value the opportunity to help meet your investment goals.

A handwritten signature in black ink, appearing to read 'C. Dyer', with a stylized, cursive flourish at the end.

**Christopher K. Dyer, CFA**

*President,  
Victory Funds*

## Victory RS Partners Fund

### Managers' Commentary

(Unaudited)

#### What were the market conditions during the reporting period?

U.S. equity markets delivered solid performance across styles in 2020, and the S&P 500® Index delivered its 11th year of positive returns in the last 12 years. U.S. stocks continued to perform well following a strong 2019 — and this despite the unprecedented pandemic. The economy and stocks proved resilient following what was effectively a virtual global economic shutdown in the first quarter. But thanks to the U.S. Federal Reserve (the “Fed”) (and central banks worldwide) and the U.S. Congress, the record fiscal stimulus and highly accommodative monetary policies backstopped the markets and renewed risk-taking among investors.

After a solid start to the 2020 calendar year in January, U.S. equity markets moved abruptly lower as worst-case fears of SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2) — the virus responsible for COVID-19 (coronavirus disease 2019) — became a reality. While investors started to show concern of the potential impact of the virus in February 2020, with the broad Russell 3000® Index declining 8.19%, investors fled risk assets in March 2020 en masse as the virus hit home in the United States and the broad index declined another 13.75%. This panic pushed investors to shift away from risk assets and caused credit markets to seize up, while volatility, as measured by the CBOE Market Volatility Index, hit an all-time record high.

The Fed subsequently adjusted forecasts for second-quarter economic output to contract by levels not seen since the Great Depression. Given the unprecedented shock to the economy, the U.S. government implemented record levels of fiscal stimulus to keep businesses open, people in their homes, and important services funded. Meanwhile, the Fed implemented the largest-scale monetary stimulus on record, which provided ample liquidity to credit markets, businesses, and important infrastructure. The Fed has also lowered interest rates by 150 basis points to 0%, with the goal of helping the economy bounce back quickly.

U.S. equity markets roared back during the second quarter as fiscal and monetary measures convinced investors who had fled risk assets to re-enter. It also became clear that the economic and business impact of the coronavirus would not affect all companies similarly, and that there would be “haves” and “have-nots” in the aftermath.

Strong sentiment turned into exuberance as we approached year-end, and record-setting market performance in the fourth quarter was driven by news that effective COVID-19 vaccines were developed faster than expected. In addition, a more stable outlook associated with a victory by Joe Biden in the U.S. presidential election helped push record inflows into equities. This also created a sharp reversal among equity market leadership late in the year, and many lagging companies in sectors traditionally associated with value investing came roaring back. U.S. government action and corporate innovation appears to have bridged the pre-pandemic economy to what will be a new “normal” economic environment, with initial signs that the economy could fully rebound in 2021, despite the prospect of a severe wave of COVID-19 in winter.

## **Victory RS Partners Fund** (continued)

### **Managers' Commentary** (continued)

#### **How did Victory RS Partners Fund (the "Fund") perform during the reporting period?**

The Fund seeks to provide long-term capital appreciation. The Fund returned 0.46% (Class A Shares at net asset value) for the year ended December 31, 2020, underperforming the Russell 2000® Value Index (the "Index"), which returned 4.63% during the reporting period.

#### **What strategies did you employ during the reporting period?**

The year was characterized by two extremes, a decline in the stock markets through the first quarter as investors concentrated on the negative impact and spread of the pandemic. After bottoming toward the end of March 2020, the Index started to rebound as investors digested the positive influence of fiscal and monetary stimulus. The Fund underperformed the Index primarily by not owning names in specific sectors that rebounded strongly despite having what we would consider to be riskier business models or weaker balance sheets. Overall, we continue to concentrate on businesses that have the potential for long-term value creation while limiting our downside. This may have limited our performance as the Index increased off of its low levels after March of 2020, but we remain confident in providing outperformance over a longer time period. For the Fund, we had positive stock selection in Industrials and Communication Services sectors, which was offset by negative stock selection in the Information Technology, Materials and Consumer Discretionary sectors. For the year, the stocks that provided positive contribution tended to be cyclical and with exposure to an improving economy where we added after the market bottomed in March. Within Industrials, a cyclical sector, Timken, TFI International and Regal Beloit, Inc. were significant positive contributors to performance. The Financials sector provided other names that benefitted the portfolio. PJT Partners benefitted from both restructuring activity caused by the economic slowdown and increased mergers and acquisitions activity as the economy improved, while Stewart Information Services benefited from the increase in housing activity after March. Positions that were impacted by the pandemic detracted from the Fund's performance. Within Industrials, Skywest, a regional airline, experienced large declines in passenger travel while one of our Information Technology sector positions, Euronet, saw its ATM operations negatively affected by dramatically lower tourism in its geographies. Lower-quality companies with riskier balance sheets outperformed the market dramatically since March and caused underperformance in the Consumer Discretionary and Materials sectors. The Fund underperformed the Index in 2020. However, we remain confident in our process and feel it will provide us with the discipline that leads to longer-term outperformance, which will benefit our investors over time.

The range of outcomes for 2021, while more optimistic, rests on the rollout and efficacy of recently approved vaccines to fight COVID-19. Volatility, economic activity, and the level of interest rates will be impacted by the level of success of the vaccines. In addition, the U.S. presidential election has resulted in a shift in power, which provides some uncertainty as to how policy decisions may impact the economy and markets.

Interest rates and mortgage rates continue near historically low levels, inflation is nonexistent, and the economy struggles while we await broad distribution of the vaccines. We remain very watchful of inflation, particularly as a result of the size and speed of the monetary and fiscal response to the pandemic. We continue to carefully monitor the corporate



**Victory RS Partners Fund** (continued)**Managers' Commentary** (continued)

debt market, but in general, U.S. corporate balance sheets are in better shape with access to low-cost debt. The Fed has stepped in to provide liquidity to support risk assets, but there does remain some concern regarding insolvency for some businesses if the absolute level of economic activity remains weak.

Equity valuations are in the top decile compared to historical levels, in part due to depressed earnings from COVID-19, but also as a result of expansion in the six largest mega-cap stocks in the S&P 500® Index. Excluding the six largest mega-cap stocks, valuations are more reasonable, particularly if compared to the 10-year U.S. Treasury yield. Recovery in aggregate earnings will be tempered, as certain industries such as hospitality, entertainment, banking, and travel will take longer to return to pre-COVID levels. However, equities continue to look attractive when compared to U.S. Treasuries and high-grade corporate bonds after the flight to safety rally during the crisis. We feel the values inherent in the portfolio should attract other investors and acquirers over time.

## Victory RS Partners Fund

### Investment Overview

(Unaudited)

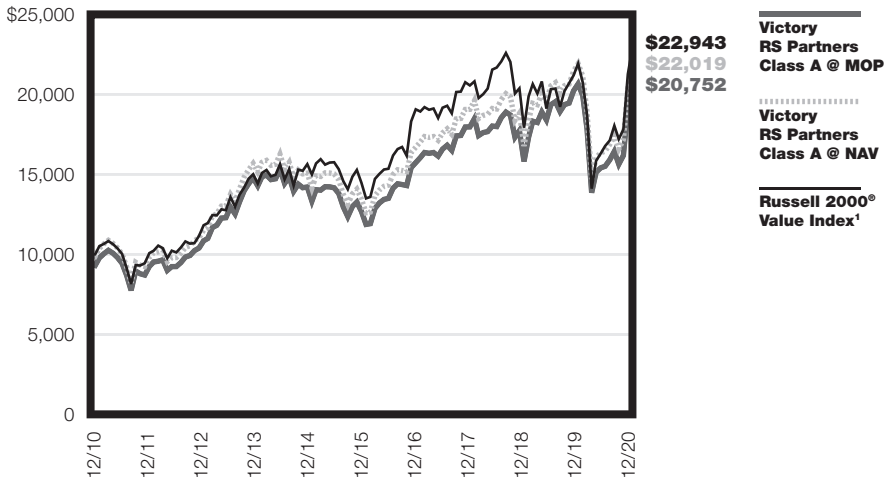
Average Annual Total Returns						
Year Ended December 31, 2020						
	Class A		Class R	Class Y	Member Class	
INCEPTION DATE	7/12/95		10/13/06	5/1/07	11/3/20	
	Net Asset Value	Maximum Offering Price	Net Asset Value	Net Asset Value	Net Asset Value	Russell 2000® Value Index¹
One Year	0.46%	-5.31%	0.06%	0.77%	N/A	4.63%
Five Year	10.35%	9.05%	9.95%	10.71%	N/A	9.65%
Ten Year	8.21%	7.57%	7.80%	8.56%	N/A	8.66%
Since Inception	N/A	N/A	N/A	N/A	25.22%	N/A

The performance data quoted represents past performance and current returns 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's end, please visit [www.vcm.com](http://www.vcm.com).

The maximum offering price (MOP) figures reflect a maximum sales charge of 5.75% for Class A Shares. NAV does not reflect sales charges.

Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares. The total return figures set forth above include all waivers of fees. Without such fee waivers, the total returns would have been lower.

### Victory RS Partners Fund — Growth of \$10,000



¹The Russell 2000® Value Index is an unmanaged 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. (The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Index results assume the reinvestment of dividends paid on the stocks constituting the index. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Past performance is not indicative of future results.

## Victory RS Value Fund

### Managers' Commentary

(Unaudited)

#### What were the market conditions during the reporting period?

U.S. equity markets delivered solid performance across styles in 2020, and the S&P 500® Index — the most popular proxy for the overall domestic stock market — delivered its 11th year of positive returns in the last 12 years. U.S. stocks continued to perform well following a strong 2019 — and this despite the unprecedented pandemic. The economy and stocks proved resilient following what was effectively a virtual global economic shutdown in the first quarter. But thanks to the U.S. Federal Reserve (the “Fed”) (and central bankers worldwide) and the U.S. Congress, the record fiscal stimulus and highly accommodative monetary policies backstopped the markets and renewed risk-taking among investors.

After a solid start to the 2020 calendar year in January, U.S. equity markets moved abruptly lower as worst-case fears of SARS-CoV-2 (“severe acute respiratory syndrome coronavirus 2”) — the virus responsible for COVID-19 (coronavirus disease 2019) — became a reality. While investors started to show concern of the potential impact of the virus in February 2020, with the broad Russell 3000® Index declining 8.19%, investors fled risk assets in March 2020 en masse as the virus hit home in the United States and the broad index declined another 13.75%. This panic pushed investors to shift away from risk assets and caused credit markets to seize up, while volatility, as measured by the CBOE Market Volatility Index, hit an all-time record high.

The Fed subsequently adjusted forecasts for second-quarter economic output to contract by levels not seen since the Great Depression. Given the unprecedented shock to the economy, the U.S. government implemented record levels of fiscal stimulus to keep businesses open, people in their homes, and important services funded. Meanwhile, the Fed implemented the largest scale monetary stimulus on record, which provided ample liquidity to credit markets, businesses, and important infrastructure. The Fed has also lowered interest rates by 150 basis points to 0%, with the goal of helping the economy bounce back quickly.

U.S. equity markets roared back during the second quarter as fiscal and monetary measures convinced investors that fled risk assets to re-enter. It also became clear that the economic and business impact of the coronavirus would not affect all companies similarly, and that there would be “haves” and “have-nots” in the aftermath. While all U.S. equity styles performed well, the disparity between innovative growth and legacy value companies became increasingly pronounced before rising markets took a breather in September.

Strong sentiment turned into exuberance as we approached year-end, and record-setting market performance in the fourth quarter was driven by news that effective vaccines were developed faster than expected. In addition, a more stable outlook associated with a victory by Joe Biden in the U.S. presidential election helped push record inflows into equities. This also created a sharp reversal among equity market leadership late in the year, and many lagging companies in sectors traditionally associated with value investing came roaring back. U.S. government action and corporate innovation appears to have bridged the pre-pandemic economy to what will be a new “normal” economic environment, with initial signs that the economy could fully rebound in 2021, despite the prospect of a severe wave of COVID-19 in winter.

## **Victory RS Value Fund** (continued)

### **Managers' Commentary** (continued)

#### **How did Victory RS Value Fund (the "Fund") perform during the reporting period?**

The Fund seeks to provide long-term capital appreciation. The Fund returned -2.59% (Class A Shares at net asset value) for the year ended December 31, 2020, underperforming the Russell Midcap® Value Index (the "Index"), which returned 4.96% during the reporting period.

#### **What strategies did you employ during the reporting period?**

This was the first year of underperformance for the Fund since 2016. Relative returns were primarily driven by stock selection in several sectors that lagged the Index performance for the year. In the Financials sector, the decline in economic activity caused by the pandemic resulted in a significant decline in interest rates and increased concerns regarding credit losses. In many cases, we saw valuations fall to levels not seen since the global financial crisis, as sentiment shifted away from the sector. As we were overweight the sector, our relative performance was negatively affected; though as we look forward, we feel quite optimistic about future returns from our positions as the economy reopens in a post-COVID-19 world. In the Materials sector, our performance lagged due to an underweighting in the gold & copper mining area, which performed exceptionally well within the Index due to a market shift in sentiment for these commodity-linked businesses as people gravitated to these commodities for their perceived store of value in a negative "real" interest rate world. Within the Health Care sector, our investments performed well; however, our lack of exposure to the more speculative biotech area caused relative performance to suffer. Somewhat offsetting these negative areas of the portfolio was our performance in Real Estate, which relatively outperformed versus the Index, as our focus on quality balance sheets served us well in a very difficult year for the sector. The Fund underperformed the Index in 2020 though we feel confident in the businesses that we own and are optimistic in our future performance, both absolute and relative, as interest rates normalize from generational lows over the intermediate-term and deflate many of the speculative areas of the market. We believe our consistent focus on investing in quality businesses with good balance sheets and durable cash flows run by good managers will continue to serve us well.

The range of outcomes for 2021, while more optimistic, rests on the rollout and efficacy of recently approved vaccines to fight COVID-19. Volatility, economic activity, and the level of interest rates will be impacted by the level of success of the vaccines. In addition, the U.S. presidential election has resulted in a shift in power, which provides some uncertainty as to how policy decisions may impact the economy and markets.

Interest rates and mortgage rates continue near historically low levels, inflation is nonexistent, and the economy struggles while we await broad distribution of the vaccines. We remain very watchful of inflation, particularly as a result of the size and speed of the monetary and fiscal response to the pandemic. We continue to carefully monitor the corporate debt market, but in general, U.S. corporate balance sheets are in better shape with access to low-cost debt. The Fed has stepped in to provide liquidity to support risk assets, but there does remain some concern regarding insolvency for some businesses if the absolute level of economic activity remains weak.

**Victory RS Value Fund** (continued)**Managers' Commentary** (continued)

Equity valuations are in the top decile compared to historical levels, in part due to depressed earnings from COVID-19, but also as a result of multiple expansion in the six largest mega-cap stocks in the S&P 500® Index. Excluding the six largest mega-cap stocks, valuations are more reasonable, particularly if compared to the 10-year U.S. Treasury yield. Recovery in aggregate earnings will be tempered, as certain industries such as hospitality, entertainment, banking, and travel will take longer to return to pre-COVID-19 levels. However, equities continue to look attractive when compared to U.S. Treasuries and high-grade corporate bonds after the flight to safety rally during the crisis. In any case, we feel the values inherent in the portfolio should attract other investors and acquirers over time.

Victory RS Value Fund

Investment Overview

(Unaudited)

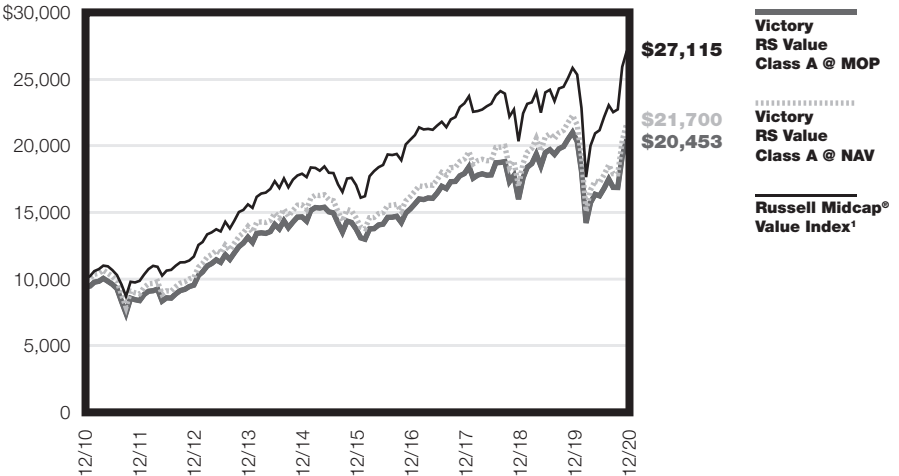
Average Annual Total Returns							
Year Ended December 31, 2020							
	Class A		Class C		Class R	Class Y	
INCEPTION DATE	6/30/93		5/1/07		12/4/06	5/1/07	
	Net Asset Value	Maximum Offering Price	Net Asset Value	Contingent Deferred Charges	Net Asset Value	Net Asset Value	Russell Midcap® Value Index¹
One Year	-2.59%	-8.18%	-3.35%	-4.30%	-2.95%	-2.37%	4.96%
Five Year	8.26%	6.98%	7.42%	7.42%	7.84%	8.51%	9.73%
Ten Year	8.06%	7.42%	7.23%	7.23%	7.63%	8.31%	10.49%

The performance data quoted represents past performance and current returns 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's end, please visit [www.vcm.com](http://www.vcm.com).

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Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares. The total return figures set forth above include all waivers of fees. Without such fee waivers, the total returns would have been lower.

Victory RS Value Fund – Growth of \$10,000



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The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund.

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## Victory RS Large Cap Alpha Fund

### Managers' Commentary

(Unaudited)

#### What were the market conditions during the reporting period?

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After a solid start to the 2020 calendar year in January, U.S. equity markets moved abruptly lower as worst-case fears of SARS-CoV-2 (“severe acute respiratory syndrome coronavirus 2”) — the virus responsible for COVID-19 (coronavirus disease 2019) — became a reality. While investors started to show concern of the potential impact of the virus in February 2020, with the broad Russell 3000® Index declining 8.19%, investors fled risk assets in March 2020 en masse as the virus hit home in the United States and the broad index declined another 13.75%. This panic pushed investors to shift away from risk assets and caused credit markets to seize up, while volatility, as measured by the CBOE Market Volatility Index, hit an all-time record high.

The Fed subsequently adjusted forecasts for second-quarter economic output to contract by levels not seen since the Great Depression. Given the unprecedented shock to the economy, the U.S. government implemented record levels of fiscal stimulus to keep businesses open, people in their homes, and important services funded. Meanwhile, the Fed implemented the largest scale monetary stimulus on record, which provided ample liquidity to credit markets, businesses, and important infrastructure. The Fed has also lowered interest rates by 150 basis points to 0%, with the goal of helping the economy bounce back quickly.

U.S. equity markets roared back during the second-quarter as fiscal and monetary measures convinced investors that fled risk assets to re-enter. It also became clear that the economic and business impact of the coronavirus would not affect all companies similarly, and that there would be “haves” and “have-nots” in the aftermath. While all U.S. equity styles performed well, the disparity between innovative growth and legacy value companies became increasingly pronounced before rising markets took a breather in September.

Strong sentiment turned into exuberance as we approached year-end, and record-setting market performance in the fourth- quarter was driven by news that effective vaccines were developed faster than expected. In addition, a more stable outlook associated with a victory by Joe Biden in the U.S. presidential election helped push record inflows into equities. This also created a sharp reversal among equity market leadership late in the year, and many lagging companies in sectors traditionally associated with value investing came roaring back. U.S. government action and corporate innovation appears to have bridged the pre-pandemic economy to what will be a new “normal” economic environment, with initial signs that the economy could fully rebound in 2021, despite the prospect of a severe wave of COVID-19 in winter.

## **Victory RS Large Cap Alpha Fund** (continued)

### **Managers' Commentary** (continued)

#### **How did Victory RS Large Cap Alpha Fund (the "Fund") perform during the reporting period?**

The Fund seeks to provide long-term capital appreciation. The Fund returned -1.03% (Class A Shares at net asset value) for the year ended December 31, 2020, underperforming the Russell 1000® Value Index (the "Index"), which returned 2.80% during the reporting period.

#### **What strategies did you employ during the reporting period?**

The Fund underperformed the Index despite strong stock selection in Communication Services and Information Technology. Negative contributors to stock selection were in the Financials and Utilities sectors, as company-specific bets were not rewarded in 2020. However, several of our investments in the Technology and Communication Services sectors paid off in 2020. Euronet Worldwide and Broadridge, Inc. were significant positive contributors to performance. On the communication services side, Facebook, the social media company, as well as Alphabet, the internet search and online media company, performed extremely well. Where we struggled was in a couple of our Financials sector positions; two of our positions, Cincinnati Financial and CBOE Global Markets were negative contributors because of company-specific events. In the end, the Fund missed its objective of outperforming the Index in 2020.

The range of outcomes for 2021, while more optimistic, rests on the rollout and efficacy of recently approved vaccines to fight COVID-19. Volatility, economic activity, and the level of interest rates will be impacted by the level of success of the vaccines. In addition, the U.S. presidential election has resulted in a shift in power, which provides some uncertainty as to how policy decisions may impact the economy and markets.

Interest rates and mortgage rates continue near historically low levels, inflation is nonexistent, and the economy struggles while we await broad distribution of the vaccines. We remain very watchful of inflation, particularly as a result of the size and speed of the monetary and fiscal response to the pandemic. We continue to carefully monitor the corporate debt market, but in general, U.S. corporate balance sheets are in better shape with access to low-cost debt. The Fed has stepped in to provide liquidity to support risk assets, but there does remain some concern regarding insolvency for some businesses if the absolute level of economic activity remains weak.

Equity valuations are in the top decile compared to historical levels, in part due to depressed earnings from COVID-19, but also as a result of multiple expansion in the six largest mega-cap stocks in the S&P 500® Index. Excluding the six largest mega-cap stocks, valuations are more reasonable, particularly if compared to the 10-year U.S. Treasury yield. Recovery in aggregate earnings will be tempered, as certain industries such as hospitality, entertainment, banking, and travel will take longer to return to pre-COVID levels. However, equities continue to look attractive when compared to U.S. Treasuries and high-grade corporate bonds after the flight to safety rally during the crisis. We feel the values inherent in the portfolio should attract other investors and acquirers over time.



## Victory RS Large Cap Alpha Fund

### Investment Overview

(Unaudited)

#### Average Annual Total Returns

Year Ended December 31, 2020

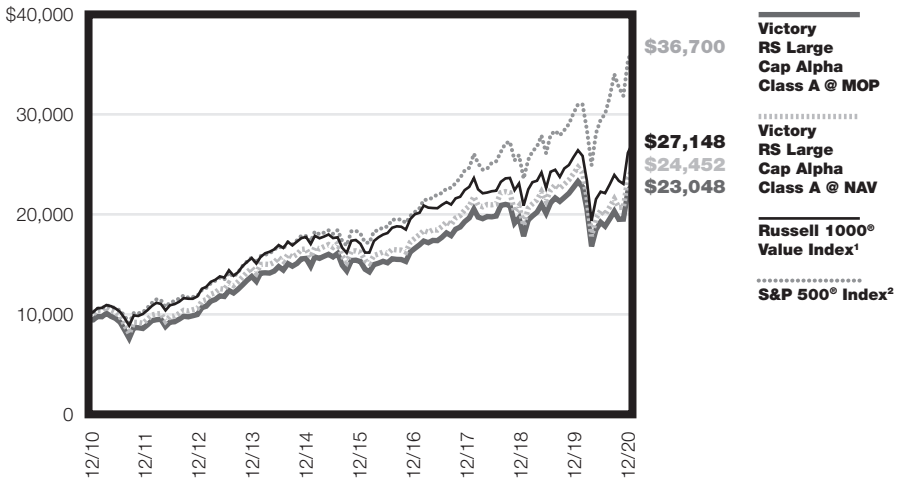
	Class A		Class C		Class R	Class Y		
INCEPTION DATE	6/1/72		8/7/00		5/15/01	5/1/07		
	Net Asset Value	Maximum Offering Price	Net Asset Value	Contingent Deferred Charges	Net Asset Value	Net Asset Value	Russell 1000® Value Index¹	S&P 500® Index²
One Year	-1.03%	-6.72%	-1.85%	-2.79%	-1.41%	-0.83%	2.80%	18.40%
Five Year	8.57%	7.29%	7.70%	7.70%	8.17%	8.79%	9.74%	15.22%
Ten Year	9.35%	8.71%	8.48%	8.48%	8.95%	9.61%	10.50%	13.88%

The performance data quoted represents past performance and current returns 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's end, please visit [www.vcm.com](http://www.vcm.com).

The maximum offering price (MOP) figures reflect a maximum sales charge of 5.75% for Class A Shares. Class C Shares are not subject to an initial sales charge, but are subject to a deferred sales charge of 1.00% on shares redeemed within one year of purchase. NAV does not reflect sales charges.

Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares. The total return figures set forth above include all waivers of fees. Without such fee waivers, the total returns would have been lower.

### Victory RS Large Cap Alpha Fund — Growth of \$10,000



¹The Russell 1000® Value Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 1000® Index (which consists of the 1,000 largest U.S. companies based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values. Index results assume the reinvestment of dividends paid on stocks constituting the index. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

²The S&P 500® Index is an unmanaged index comprised of 500 domestically traded common stocks, is weighted according to the market value of each common stock in the index, and includes reinvestment of dividends. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Past performance is not indicative of future results.

## Victory RS Investors Fund

### Managers' Commentary

(Unaudited)

#### What were the market conditions during the reporting period?

U.S. equity markets delivered solid performance across styles in 2020, and the S&P 500® Index — the most popular proxy for the overall domestic stock market — delivered its 11th year of positive returns in the last 12 years. U.S. stocks continued to perform well following a strong 2019 — and this despite the unprecedented pandemic. The economy and stocks proved resilient following what was effectively a virtual global economic shutdown in the first quarter. But thanks to the U.S. Federal Reserve (the “Fed”) (and central bankers worldwide) and the U.S. Congress, the record fiscal stimulus and highly accommodative monetary policies backstopped the markets and renewed risk-taking among investors.

After a solid start to the 2020 calendar year in January, U.S. equity markets moved abruptly lower as worst-case fears of SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2) — the virus responsible for COVID-19 (coronavirus disease 2019) — became a reality. While investors started to show concern of the potential impact of the virus in February 2020, with the broad Russell 3000® Index declining 8.19%, investors fled risk assets in March 2020 en masse as the virus hit home in the United States and the broad index declined another 13.75%. This panic pushed investors to shift away from risk assets and caused credit markets to seize up, while volatility, as measured by the CBOE Market Volatility Index, hit an all-time record high.

The Fed subsequently adjusted forecasts for second-quarter economic output to contract by levels not seen since the Great Depression. Given the unprecedented shock to the economy, the U.S. government implemented record levels of fiscal stimulus to keep businesses open, people in their homes, and important services funded. Meanwhile, the Fed implemented the largest-scale monetary stimulus on record, which provided ample liquidity to credit markets, businesses, and important infrastructure. The Fed has also lowered interest rates by 150 basis points to 0%, with the goal of helping the economy bounce back quickly.

U.S. equity markets roared back during the second quarter as fiscal and monetary measures convinced investors who had fled risk assets to re-enter. It also became clear that the economic and business impact of the coronavirus would not affect all companies similarly, and that there would be “haves” and “have-nots” in the aftermath.

Strong sentiment turned into exuberance as we approached year-end, and record-setting market performance in the fourth quarter was driven by news that effective COVID-19 vaccines were developed faster than expected. In addition, a more stable outlook associated with a victory by Joe Biden in the U.S. presidential election helped push record inflows into equities. This also created a sharp reversal among equity market leadership late in the year, and many lagging companies in sectors traditionally associated with value investing came roaring back. U.S. government action and corporate innovation appears to have bridged the pre-pandemic economy to what will be a new “normal” economic environment, with initial signs that the economy could fully rebound in 2021, despite the prospect of a severe wave of COVID-19 in winter.

**Victory RS Investors Fund** (continued)**Managers' Commentary** (continued)**How did Victory RS Investors Fund (the "Fund") perform during the reporting period?**

The Fund seeks to provide long-term capital appreciation. The Fund returned -1.68% (Class A Shares at net asset value) for the year ended December 31, 2020, underperforming the Russell 3000® Value Index (the "Index"), which returned 2.87% during the reporting period.

**What strategies did you employ during the reporting period?**

Relative returns were primarily driven by stock selection in several sectors which lagged the Index performance for the year. In Financials, the decline in economic activity caused by the pandemic resulted in a significant decline in interest rates and increased concerns regarding credit losses. In many cases, we saw valuations fall to levels not seen since the global financial crisis, as sentiment shifted away from the sector. As we were overweight the sector, our relative performance was negatively affected; though as we look forward, we feel quite optimistic about future returns from our positions as the economy reopens in a post-COVID-19 world. Within the Health Care sector, our investments performed well; however, our underweight exposure to the Pharmaceuticals sector, in particular the more speculative biotech area, caused relative performance to lag. Somewhat offsetting these negative areas of the portfolio was our performance in the Communication Services sector, which relatively outperformed versus the Index due to long-term positions in Google and Facebook. In the end, the Fund did not achieve its objective of outperforming the Index in 2020 though we feel confident in the businesses that we own and are optimistic in our future performance, both absolute and relative, as interest rates normalize from generational lows over the intermediate-term and deflate many of the speculative areas of the market. We believe our consistent focus on investing in quality businesses with good balance sheets and durable cash flows run by good managers will continue to serve us well.

The range of outcomes for 2021, while more optimistic, rests on the rollout and efficacy of recently approved vaccines to fight COVID-19. Volatility, economic activity, and the level of interest rates will be impacted by the level of success of the vaccines. In addition, the U.S. presidential election has resulted in a shift in power, which provides some uncertainty as to how policy decisions may impact the economy and markets.

Interest rates and mortgage rates continue near historically low levels, inflation is nonexistent, and the economy struggles while we await broad distribution of the vaccines. We remain very watchful of inflation, particularly as a result of the size and speed of the monetary and fiscal response to the pandemic. We continue to carefully monitor the corporate debt market; but in general, U.S. corporate balance sheets are in better shape with access to low-cost debt. The Fed has stepped in to provide liquidity to support risk assets, but there does remain some concern regarding insolvency for some businesses if the absolute level of economic activity remains weak.

Equity valuations are in the top decile compared to historical levels, in part due to depressed earnings from COVID-19, but also as a result of expansion in the six largest mega-cap stocks in the S&P 500® Index. Excluding the six largest mega-cap stocks, valuations are more reasonable, particularly if compared to the 10-year U.S. Treasury yield. Recovery in aggregate

## **Victory RS Investors Fund** (continued)

### **Managers' Commentary** (continued)

earnings will be tempered, as certain industries such as hospitality, entertainment, banking, and travel will take longer to return to pre-COVID-19 levels. However, equities continue to look attractive when compared to U.S. Treasuries and high-grade corporate bonds after the flight-to-safety rally during the crisis. We feel the values inherent in the portfolio should attract other investors and acquirers over time.

## Victory RS Investors Fund

### Investment Overview

(Unaudited)

#### Average Annual Total Returns

Year Ended December 31, 2020

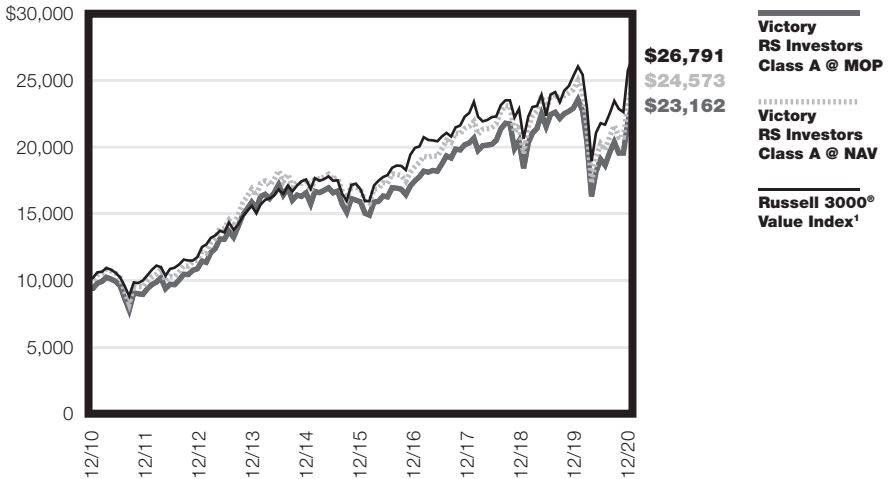
	Class A		Class C		Class R	Class Y	
INCEPTION DATE	11/15/05		7/24/07		1/3/07	5/1/07	
	Net Asset Value	Maximum Offering Price	Net Asset Value	Contingent Deferred Charges	Net Asset Value	Net Asset Value	Russell 3000® Value Index¹
One Year	-1.68%	-7.34%	-2.43%	-3.40%	-2.30%	-1.41%	2.87%
Five Year	7.83%	6.56%	7.03%	7.03%	7.19%	8.13%	9.74%
Ten Year	9.41%	8.76%	8.60%	8.60%	8.85%	9.69%	10.36%

The performance data quoted represents past performance and current returns 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's end, please visit [www.vcm.com](http://www.vcm.com).

The maximum offering price (MOP) figures reflect a maximum sales charge of 5.75% for Class A Shares. Class C Shares are not subject to an initial sales charge, but are subject to a deferred sales charge of 1.00% on shares redeemed within one year of purchase. NAV does not reflect sales charges.

Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares. The total return figures set forth above include all waivers of fees. Without such fee waivers, the total returns would have been lower.

### Victory RS Investors Fund – Growth of \$10,000



¹The Russell 3000® Value Index measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value or the Russell 2000® Value indexes. Index results assume the reinvestment of dividends paid on the stocks constituting the index. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Past performance is not indicative of future results.

## Victory Global Natural Resources Fund

### Managers' Commentary

(Unaudited)

#### What were the market conditions during the reporting period?

Most major commodities prices increased over the course of 2020, with gold and copper being among the best performers, each up around 25%. Natural gas prices increased 16% and the average futures contract out five years rose 5%. Crude oil prices fell -20% as COVID-19 (coronavirus disease 2019) heavily impacted demand. Despite the increases in commodity prices and generally weak demand, inventories continued to correct as supply remains constrained due to a lack of capital availability combined with new-found discipline among producers. Outside of the corporate bond market, there is little access to capital for most upstream commodity producers. As Environmental, Social and Governance (ESG) became a focal point in 2020, private equity sponsors are rapidly shifting energy allocations into renewables and alternative energy. Public-equity investors have eschewed traditional energy, which represents approximately 2% of the S&P 500® Index and has been an underperforming industry segment for most of the past decade. The combination of normalizing demand, low inventories and constrained supply base is setting the stage for the next cyclical upturn in commodity prices. This phase transition became more obvious as the year progressed.

#### How did Victory Global Natural Resources Fund (the "Fund") perform during the reporting period?

The Fund seeks to provide long-term capital appreciation. The Fund returned 27.35% (Class A Shares at net asset value) for the year ended December 31, 2020, outperforming the MSCI World Commodity Producers Index (the "Index"), which returned -15.10% during the reporting period.

#### What strategies did you employ during the reporting period?

Positive performance occurred only after a severe drawdown in the first quarter as markets reacted to the COVID-19 pandemic. Above-Index weighting and security selection in the North American natural gas segment were primary drivers of relative outperformance, followed by a similar outcome in base metals. The relative overweight to North American oil companies detracted from relative returns, although our North American oil companies still outperformed those of the Index. Not owning integrated oil companies was a positive contribution to returns. The outperformance of the Fund versus the Index was due both to wise subsector allocations as well as good stock-picking.

# Victory Global Natural Resources Fund

## Investment Overview

(Unaudited)

### Average Annual Total Returns

Year Ended December 31, 2020

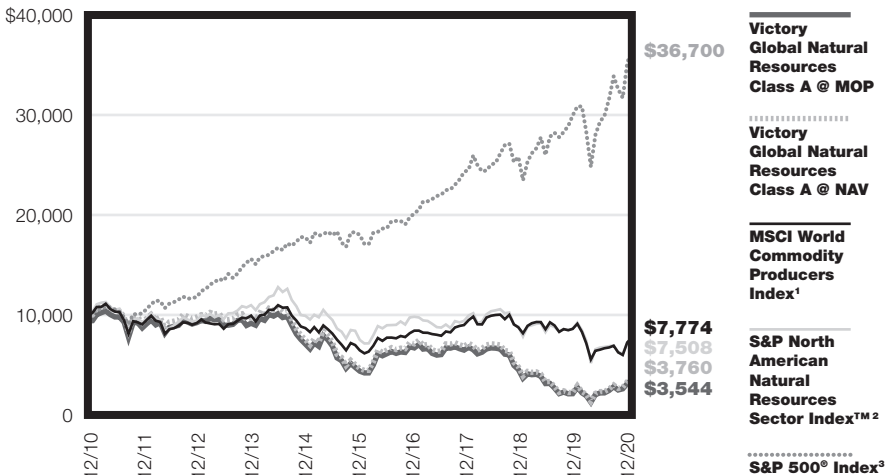
	Class A		Class C		Class R	Class Y			
INCEPTION DATE	11/15/95		5/1/07		12/4/06	5/1/07			
	Net Asset Value	Maximum Offering Price	Net Asset Value	Contingent Deferred Charges	Net Asset Value	Net Asset Value	MSCI World Commodity Producers Index <sup>1</sup>	S&P North American Natural Resources Sector Index <sup>TM2</sup>	S&P 500 <sup>®</sup> Index <sup>3</sup>
One Year	27.35%	20.06%	26.29%	25.29%	26.86%	27.86%	-15.10%	-19.01%	18.40%
Five Year	-4.22%	-5.35%	-4.99%	-4.99%	-4.57%	-3.90%	3.69%	-0.08%	15.22%
Ten Year	-9.32%	-9.85%	-10.03%	-10.03%	-9.65%	-9.02%	-2.49%	-2.83%	13.88%

The performance data quoted represents past performance and current returns 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's end, please visit [www.vcm.com](http://www.vcm.com).

The maximum offering price (MOP) figures reflect a maximum sales charge of 5.75% for Class A Shares. Class C Shares are not subject to an initial sales charge, but are subject to a deferred sales charge of 1.00% on shares redeemed within one year of purchase. NAV does not reflect sales charges.

Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares. The total return figures set forth above include all waivers of fees. Without such fee waivers, the total returns would have been lower.

### Victory Global Natural Resources Fund – Growth of \$10,000



<sup>1</sup>The MSCI World Commodity Producers Index is an equity-based index designed to reflect the performance related to commodity producers stocks. The index is a free float-adjusted market-capitalization-weighted index composed of commodity producer companies based on the Global Industry Classification Standard (GICS<sup>®</sup>). The index reflects the reinvestment of dividends paid on the stocks constituting the index net of withholding taxes. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

<sup>2</sup>The S&P North American Natural Resources Sector Index<sup>TM</sup> is a modified capitalization-weighted index designed as a benchmark for U.S.-traded securities in the natural resources sector. The index includes companies involved in the following categories: extractive industries, energy companies, owners and operators of timber tracts, forestry services, producers of pulp and paper, and owners of plantations. Index results assume the reinvestment of dividends paid on the stocks constituting the index. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

<sup>3</sup>The S&P 500<sup>®</sup> Index is an unmanaged index comprised of 500 domestically traded common stocks, is weighted according to the market value of each common stock in the index, and includes reinvestment of dividends. This index does not include the effect of sales charges, commissions, expenses or taxes, is not representative of the Fund and it is not possible to invest directly in an index.

The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund.

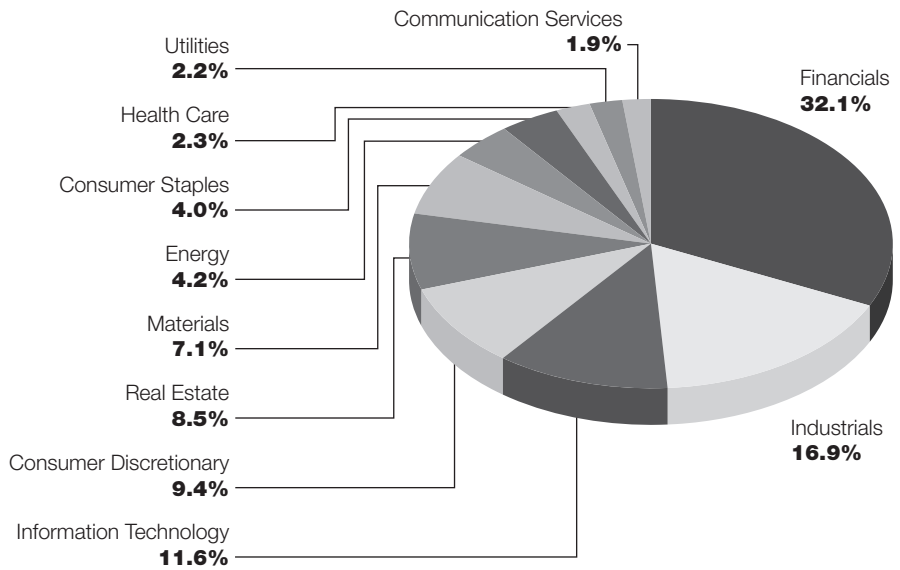
The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Past performance is not indicative of future results.

**Investment Objective & Portfolio Holdings:**

Victory RS Partners Fund seeks to provide long-term capital appreciation.

**Sector Allocation\*:**  
December 31, 2020  
(% of Net Assets)



\* Does not include futures, money market instruments, and short-term investments purchased with cash collateral from securities loaned.

Refer to the Schedule of Portfolio Investments for a complete list of securities.

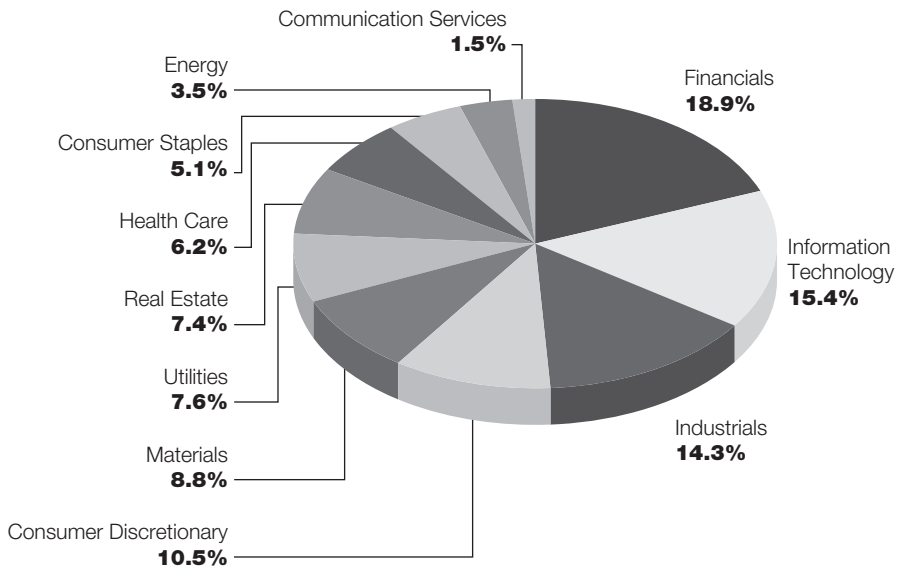
Percentages are of the net assets of the Fund and may not equal 100%.



**Investment Objective & Portfolio Holdings:**

Victory RS Value Fund seeks to provide long-term capital appreciation.

**Sector Allocation\*:**  
*December 31, 2020*  
*(% of Net Assets)*



\* Does not include futures, money market instruments, and short-term investments purchased with cash collateral from securities loaned.

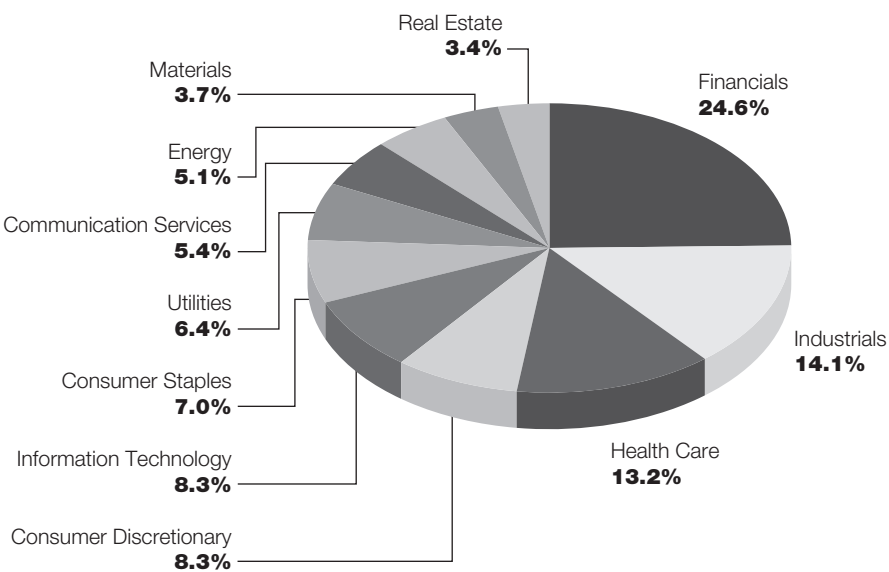
Refer to the Schedule of Portfolio Investments for a complete list of securities.

Percentages are of the net assets of the Fund and may not equal 100%.

**Investment Objective & Portfolio Holdings:**

Victory RS Large Cap Alpha Fund seeks to provide long-term capital appreciation.

**Sector Allocation\*:**  
*December 31, 2020*  
*(% of Net Assets)*

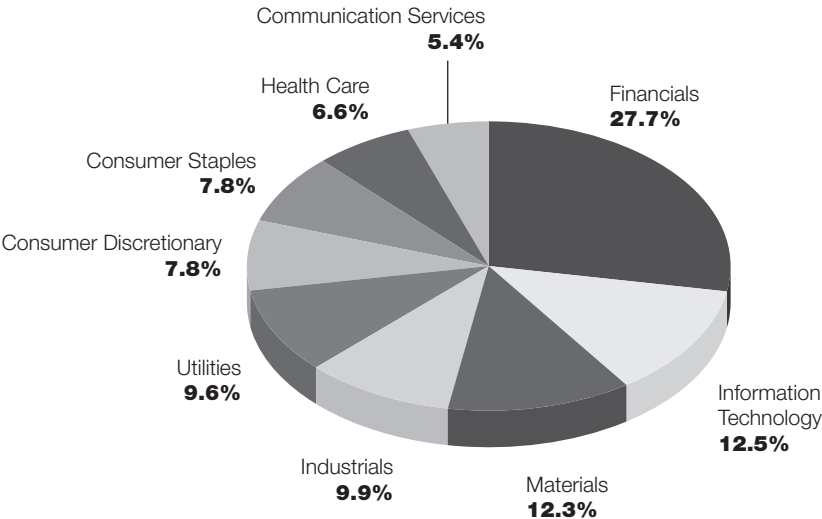


\* Does not include futures, money market instruments, and short-term investments purchased with cash collateral from securities loaned.  
Refer to the Schedule of Portfolio Investments for a complete list of securities.  
Percentages are of the net assets of the Fund and may not equal 100%.

**Investment Objective & Portfolio Holdings:**

Victory RS Investors Fund seeks to provide long-term capital appreciation.

**Sector Allocation\*:**  
*December 31, 2020*  
*(% of Net Assets)*



\* Does not include futures, money market instruments, and short-term investments purchased with cash collateral from securities loaned.  
Refer to the Schedule of Portfolio Investments for a complete list of securities.  
Percentages are of the net assets of the Fund and may not equal 100%.

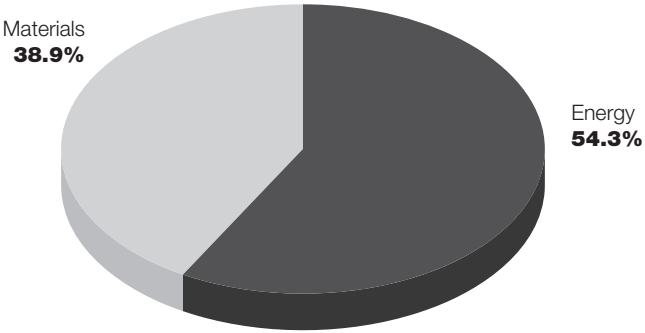
Investment Objective & Portfolio Holdings:

Victory Global Natural Resources Fund seeks to provide long-term capital appreciation.

Sector Allocation\*:

December 31, 2020

(% of Net Assets)



\* Does not include futures, money market instruments, and short-term investments purchased with cash collateral from securities loaned.

Refer to the Schedule of Portfolio Investments for a complete list of securities.

Percentages are of the net assets of the Fund and may not equal 100%.

Security Description	Shares	Value
<b>Common Stocks (100.0%)</b>		
<b>Banks (20.1%):</b>		
Ameris Bancorp	289,970	\$ 11,039,158
Associated Bancorp	256,940	4,380,827
Banner Corp.	126,820	5,908,544
Columbia Banking System, Inc.	149,066	5,351,469
Eastern Bankshares, Inc. (a) (b)	308,720	5,035,223
Independent Bank Corp.	49,380	3,606,715
Investors Bancorp, Inc.	495,380	5,231,213
Pinnacle Financial Partners, Inc.	110,060	7,087,864
South State Corp.	88,790	6,419,517
Synovus Financial Corp.	156,360	5,061,373
UMB Financial Corp.	73,812	5,092,290
Umpqua Holdings Corp.	91,040	1,378,346
		<u>65,592,539</u>
<b>Capital Markets (1.0%):</b>		
Federated Hermes, Inc.	114,990	3,322,061
<b>Communication Services (1.9%):</b>		
Madison Square Garden Sports Corp. (a)	9,750	1,794,975
World Wrestling Entertainment, Inc., Class A (b)	94,090	4,521,025
		<u>6,316,000</u>
<b>Consumer Discretionary (9.4%):</b>		
Brinker International, Inc. (b)	85,000	4,808,450
Carter's, Inc.	61,930	5,825,755
Dana, Inc.	381,740	7,451,565
Penske Automotive Group, Inc.	70,821	4,206,059
Taylor Morrison Home Corp. (a)	185,320	4,753,458
Wolverine World Wide, Inc.	106,130	3,316,563
		<u>30,361,850</u>
<b>Consumer Staples (4.0%):</b>		
Hostess Brands, Inc. (a) (b)	512,671	7,505,503
TreeHouse Foods, Inc. (a) (b)	134,220	5,703,008
		<u>13,208,511</u>
<b>Energy (4.2%):</b>		
Cimarex Energy Co.	93,420	3,504,184
Magnolia Oil & Gas Corp., Class A (a) (b)	871,520	6,152,931
PDC Energy, Inc. (a)	194,550	3,994,112
		<u>13,651,227</u>
<b>Health Care (2.1%):</b>		
The Ensign Group, Inc.	22,490	1,639,971
Tivity Health, Inc. (a) (b)	270,910	5,307,127
		<u>6,947,098</u>
<b>Industrials (16.9%):</b>		
Altra Industrial Motion Corp.	71,750	3,977,103
American Woodmark Corp. (a)	31,550	2,960,968

See notes to financial statements.

Security Description	Shares	Value
Atkore International Group, Inc. (a) . . . . .	184,200	\$ 7,572,462
Crane Co. . . . .	55,610	4,318,673
Evoqua Water Technologies Corp. (a) . . . . .	75,800	2,045,084
Finning International, Inc. . . . .	192,210	4,082,216
GMS, Inc. (a) . . . . .	144,920	4,417,161
GrafTech International Ltd. . . . .	387,970	4,135,760
H&E Equipment Services, Inc. . . . .	74,860	2,231,577
McGrath RentCorp . . . . .	25,760	1,728,496
Meritor, Inc. (a) . . . . .	168,950	4,715,394
Ryder System, Inc. . . . .	40,090	2,475,958
SkyWest, Inc. . . . .	29,030	1,170,199
TFI International, Inc. (b) . . . . .	99,200	5,107,705
The Timken Co. . . . .	53,250	4,119,420
		<u>55,058,176</u>
<b>Information Technology (11.6%):</b>		
Euronet Worldwide, Inc. (a) (b) . . . . .	58,320	8,451,734
NCR Corp. (a) . . . . .	245,630	9,228,319
Talend SA, ADR (a) (b) . . . . .	189,160	7,252,394
Verint Systems, Inc. (a) . . . . .	194,700	13,079,946
		<u>38,012,393</u>
<b>Insurance (8.0%):</b>		
Alleghany Corp. . . . .	13,180	7,956,634
Axis Capital Holdings Ltd. . . . .	80,110	4,036,743
Globe Life, Inc. . . . .	53,190	5,050,922
Primerica, Inc. . . . .	36,363	4,870,097
Stewart Information Services Corp. . . . .	87,370	4,225,213
		<u>26,139,609</u>
<b>Materials (7.1%):</b>		
Constellium SE (a) . . . . .	256,290	3,585,497
Forterra, Inc. (a) . . . . .	171,600	2,950,662
Graphic Packaging Holding Co. . . . .	601,360	10,187,038
Summit Materials, Inc., Class A (a) . . . . .	319,187	6,409,275
		<u>23,132,472</u>
<b>Real Estate (8.5%):</b>		
Four Corners Property Trust, Inc. . . . .	171,800	5,114,486
Jones Lang LaSalle, Inc. (a) . . . . .	39,940	5,925,898
Kennedy-Wilson Holdings, Inc. . . . .	230,660	4,126,507
Spirit Realty Capital, Inc. (b) . . . . .	104,760	4,208,209
Sunstone Hotel Investors, Inc. . . . .	530,260	6,007,846
Washington Real Estate Investment Trust . . . . .	103,830	2,245,843
		<u>27,628,789</u>
<b>Thriffs &amp; Mortgage Finance (3.0%):</b>		
Essent Group Ltd. . . . .	81,830	3,535,056
PCSB Financial Corp. . . . .	125,790	2,005,093
TFS Financial Corp. . . . .	246,310	4,342,445
		<u>9,882,594</u>

See notes to financial statements.

Security Description	Shares	Value
<b>Utilities (2.2%):</b>		
Black Hills Corp. . . . .	43,665	\$ 2,683,214
NorthWestern Corp. . . . .	40,670	2,371,468
South Jersey Industries, Inc. (b) . . . . .	98,850	2,130,218
		<u>7,184,900</u>
<b>Total Common Stocks (Cost \$248,978,826)</b>		<b>326,438,219</b>
<b>Preferred Stocks (0.2%)</b>		
<b>Health Care (0.2%):</b>		
WellDoc, Inc., Series B (a) (c) (d) . . . . .	1,587,483	587,369
<b>Total Preferred Stocks (Cost \$1,942,920)</b>		<b>587,369</b>
<b>Collateral for Securities Loaned<sup>^</sup> (5.6%)</b>		
BlackRock Liquidity Funds TempFund Portfolio, Institutional Class, 0.08% (e) . . . . .	315,052	315,052
Fidelity Investments Money Market Government Portfolio, Class I, 0.01% (e) . . . . .	10,823,874	10,823,874
Goldman Sachs Financial Square Prime Obligations Fund, Institutional Class, 0.04% (e) . . . . .	157,226	157,226
JPMorgan Prime Money Market Fund, Capital Class, 0.12% (e) . . . . .	1,253,675	1,253,675
Morgan Stanley Institutional Liquidity Prime Portfolio, Institutional Class, 0.09% (e) . . . . .	5,636,766	5,636,766
<b>Total Collateral for Securities Loaned (Cost \$18,186,593)</b>		<b>18,186,593</b>
<b>Total Investments (Cost \$269,108,339) — 105.8%</b>		<b>345,212,181</b>
<b>Liabilities in excess of other assets — (5.8%)</b>		<b>(18,971,560)</b>
<b>NET ASSETS — 100.00%</b>		<b>\$326,240,621</b>

<sup>^</sup> Purchased with cash collateral from securities on loan.

(a) Non-income producing security.

(b) All or a portion of this security is on loan.

(c) The Fund's Adviser has deemed this security to be illiquid based upon procedures approved by the Board of Trustees. As of December 31, 2020, illiquid securities were 0.2% of the Fund's net assets.

(d) Security was fair valued based upon procedures approved by the Board of Trustees and represents 0.2% of the Fund's net assets as of December 31, 2020. This security is classified as Level 3 within the fair value hierarchy. (See Note 2)

(e) Rate disclosed is the daily yield on December 31, 2020.

ADR — American Depositary Receipt

See notes to financial statements.

Security Description	Shares	Value
<b>Common Stocks (99.2%)</b>		
<b>Communication Services (1.5%):</b>		
World Wrestling Entertainment, Inc., Class A (a)	94,200	\$ 4,526,310
<b>Consumer Discretionary (10.5%):</b>		
AutoZone, Inc. (b)	1,510	1,790,014
BorgWarner, Inc.	92,810	3,586,178
Carter's, Inc. (a)	32,410	3,048,809
Dollar Tree, Inc. (b)	64,520	6,970,741
LKQ Corp. (b)	287,180	10,120,223
Magna International, Inc.	39,960	2,829,168
Taylor Morrison Home Corp. (b)	145,320	3,727,458
		<u>32,072,591</u>
<b>Consumer Staples (5.1%):</b>		
Hostess Brands, Inc. (b)	359,780	5,267,179
Keurig Dr Pepper, Inc.	170,165	5,445,280
TreeHouse Foods, Inc. (b)	114,080	4,847,259
		<u>15,559,718</u>
<b>Energy (3.5%):</b>		
Baker Hughes Co.	61,430	1,280,816
Cabot Oil & Gas Corp.	125,690	2,046,233
Devon Energy Corp.	189,220	2,991,568
Magnolia Oil & Gas Corp., Class A (a) (b)	622,980	4,398,239
		<u>10,716,856</u>
<b>Financials (18.9%):</b>		
Aflac, Inc.	68,670	3,053,755
Alleghany Corp.	13,760	8,306,774
Cboe Global Markets, Inc.	43,910	4,088,899
Citizens Financial Group, Inc.	192,330	6,877,721
Fidelity National Financial, Inc.	117,110	4,577,830
Hancock Whitney Corp.	137,530	4,678,771
Kearny Financial Corp.	350,540	3,701,702
KeyCorp	423,170	6,944,219
RenaissanceRe Holdings Ltd.	58,980	9,780,064
Voya Financial, Inc.	107,200	6,304,432
		<u>58,314,167</u>
<b>Health Care (6.2%):</b>		
Hill-Rom Holdings, Inc.	50,500	4,947,485
Humana, Inc.	15,390	6,314,055
Quest Diagnostics, Inc.	34,100	4,063,697
Zimmer Biomet Holdings, Inc.	24,510	3,776,746
		<u>19,101,983</u>
<b>Industrials (14.3%):</b>		
Allison Transmission Holdings, Inc.	106,330	4,586,013
Carrier Global Corp.	55,910	2,108,925
Crane Co.	82,160	6,380,545
Curtiss-Wright Corp.	46,250	5,381,187

See notes to financial statements.



Security Description	Shares	Value
Sensata Technologies Holding PLC (b) . . . . .	170,480	\$ 8,991,115
Textron, Inc. . . . .	40,730	1,968,481
TFI International, Inc. . . . .	124,370	6,415,005
The Timken Co. . . . .	64,180	4,964,965
United Rentals, Inc. (b) . . . . .	13,120	3,042,659
		<u>43,838,895</u>
<b>Information Technology (15.4%):</b>		
Euronet Worldwide, Inc. (b) . . . . .	58,153	8,427,533
FleetCor Technologies, Inc. (b) . . . . .	12,130	3,309,428
Leidos Holdings, Inc. . . . .	41,100	4,320,432
NCR Corp. (b) . . . . .	281,860	10,589,480
Talend SA, ADR (a) (b) . . . . .	179,750	6,891,615
Verint Systems, Inc. (b) . . . . .	210,120	14,115,862
		<u>47,654,350</u>
<b>Materials (8.8%):</b>		
Graphic Packaging Holding Co. . . . .	710,290	12,032,314
Sealed Air Corp. . . . .	249,410	11,420,484
Summit Materials, Inc., Class A (b) . . . . .	205,700	4,130,456
		<u>27,583,254</u>
<b>Real Estate (7.4%):</b>		
Healthcare Trust of America, Inc., Class A . . . . .	176,210	4,852,822
Highwoods Properties, Inc. . . . .	95,450	3,782,684
MGM Growth Properties LLC, Series A . . . . .	141,060	4,415,178
National Retail Properties, Inc. . . . .	118,480	4,848,202
Spirit Realty Capital, Inc. . . . .	119,980	4,819,597
		<u>22,718,483</u>
<b>Utilities (7.6%):</b>		
FirstEnergy Corp. . . . .	108,170	3,311,084
The AES Corp. . . . .	336,750	7,913,625
Vistra Corp. . . . .	618,600	12,161,676
		<u>23,386,385</u>
<b>Total Common Stocks (Cost \$251,925,201)</b>		<b>305,472,992</b>
<b>Collateral for Securities Loaned^ (2.9%)</b>		
BlackRock Liquidity Funds TempFund Portfolio, Institutional Class, 0.08% (c) . .	156,360	156,360
Fidelity Investments Money Market Government Portfolio, Class I, 0.01% (c) . . .	5,371,897	5,371,897
Goldman Sachs Financial Square Prime Obligations Fund, Institutional Class, 0.04% (c) . . . . .	78,032	78,032
JPMorgan Prime Money Market Fund, Capital Class, 0.12% (c) . . . . .	622,200	622,200
Morgan Stanley Institutional Liquidity Prime Portfolio, Institutional Class, 0.09% (c) . . . . .	2,797,531	2,797,531
<b>Total Collateral for Securities Loaned (Cost \$9,026,020)</b>		<b>9,026,020</b>
<b>Total Investments (Cost \$260,951,221) — 102.1%</b>		<b>314,499,012</b>
<b>Liabilities in excess of other assets — (2.1%)</b>		<b>(6,543,692)</b>
<b>NET ASSETS — 100.00%</b>		<b>\$307,955,320</b>

See notes to financial statements.

^ Purchased with cash collateral from securities on loan.

(a) All or a portion of this security is on loan.

(b) Non-income producing security.

(c) Rate disclosed is the daily yield on December 31, 2020.

ADR — American Depositary Receipt

LLC — Limited Liability Company

PLC — Public Limited Company

Security Description	Shares	Value
<b>Common Stocks (99.5%)</b>		
<b>Communication Services (5.4%):</b>		
Alphabet, Inc., Class A (a) . . . . .	8,140	\$ 14,266,489
Facebook, Inc., Class A (a) . . . . .	42,680	11,658,469
		<u>25,924,958</u>
<b>Consumer Discretionary (8.3%):</b>		
Dollar Tree, Inc. (a) . . . . .	118,480	12,800,579
General Motors Co. . . . .	136,480	5,683,027
LKQ Corp. (a) . . . . .	322,420	11,362,081
Magna International, Inc. . . . .	133,520	9,453,216
		<u>39,298,903</u>
<b>Consumer Staples (7.0%):</b>		
Keurig Dr Pepper, Inc. . . . .	582,450	18,638,400
Mondelez International, Inc., Class A . . . . .	256,560	15,001,063
		<u>33,639,463</u>
<b>Energy (5.1%):</b>		
Enterprise Products Partners LP . . . . .	643,210	12,600,484
Hess Corp. . . . .	88,470	4,670,331
Pioneer Natural Resources Co. . . . .	62,910	7,164,820
		<u>24,435,635</u>
<b>Financials (24.6%):</b>		
Aflac, Inc. . . . .	158,360	7,042,269
Bank of America Corp. . . . .	413,630	12,537,125
Cboe Global Markets, Inc. . . . .	65,330	6,083,530
Chubb Ltd. . . . .	54,510	8,390,179
Citigroup, Inc. . . . .	202,240	12,470,118
Discover Financial Services . . . . .	106,810	9,669,509
Everest Re Group Ltd. . . . .	20,290	4,749,686
JPMorgan Chase & Co. . . . .	109,400	13,901,459
KeyCorp . . . . .	457,910	7,514,303
RenaissanceRe Holdings Ltd. . . . .	93,800	15,553,916
U.S. Bancorp . . . . .	268,430	12,506,154
Voya Financial, Inc. . . . .	119,860	7,048,967
		<u>117,467,215</u>
<b>Health Care (13.2%):</b>		
Cigna Corp. . . . .	65,060	13,544,190
Hill-Rom Holdings, Inc. . . . .	95,090	9,315,967
Humana, Inc. . . . .	23,940	9,821,864
Johnson & Johnson . . . . .	42,560	6,698,093
Medtronic PLC . . . . .	42,320	4,957,365
Pfizer, Inc. . . . .	103,300	3,802,473
Quest Diagnostics, Inc. . . . .	46,930	5,592,648
UnitedHealth Group, Inc. . . . .	26,195	9,186,063
		<u>62,918,663</u>

See notes to financial statements.

Security Description	Shares	Value
<b>Industrials (14.1%):</b>		
Dover Corp. ....	43,440	\$ 5,484,300
Eaton Corp. PLC ....	79,970	9,607,596
Johnson Controls International PLC ....	198,400	9,243,456
Parker-Hannifin Corp. ....	35,260	9,605,177
Raytheon Technologies Corp. ....	106,432	7,610,952
Sensata Technologies Holding PLC (a) ....	142,910	7,537,073
Union Pacific Corp. ....	46,960	9,778,011
United Rentals, Inc. (a) ....	36,100	8,371,951
		<u>67,238,516</u>
<b>Information Technology (8.3%):</b>		
Euronet Worldwide, Inc. (a) (b) ....	94,550	13,702,185
FleetCor Technologies, Inc. (a) ....	36,820	10,045,601
Leidos Holdings, Inc. ....	90,390	9,501,797
Visa, Inc., Class A ....	31,360	6,859,373
		<u>40,108,956</u>
<b>Materials (3.7%):</b>		
Sealed Air Corp. ....	382,402	17,510,188
<b>Real Estate (3.4%):</b>		
Host Hotels & Resorts, Inc. ....	555,320	8,124,332
National Retail Properties, Inc. ....	197,100	8,065,332
		<u>16,189,664</u>
<b>Utilities (6.4%):</b>		
Exelon Corp. ....	222,890	9,410,416
FirstEnergy Corp. ....	158,180	4,841,890
Vistra Corp. ....	818,980	16,101,147
		<u>30,353,453</u>
<b>Total Common Stocks (Cost \$377,866,849)</b>		<b>475,085,614</b>
<b>Collateral for Securities Loaned<sup>^</sup> (0.0%) (c)</b>		
BlackRock Liquidity Funds TempFund Portfolio, Institutional Class, 0.08% (d) ..	1,261	1,261
Fidelity Investments Money Market Government Portfolio, Class I, 0.01% (d) ...	43,308	43,308
Goldman Sachs Financial Square Prime Obligations Fund, Institutional Class, 0.04% (d) ....	629	629
JPMorgan Prime Money Market Fund, Capital Class, 0.12% (d) ....	5,016	5,016
Morgan Stanley Institutional Liquidity Prime Portfolio, Institutional Class, 0.09% (d) ....	22,553	22,553
<b>Total Collateral for Securities Loaned (Cost \$72,767)</b>		<b>72,767</b>
<b>Total Investments (Cost \$377,939,616) — 99.5%</b>		<b>475,158,381</b>
<b>Other assets in excess of liabilities — 0.5%</b>		<b>2,403,899</b>
<b>NET ASSETS — 100.00%</b>		<b>\$477,562,280</b>

<sup>^</sup> Purchased with cash collateral from securities on loan.

(a) Non-income producing security.

(b) All or a portion of this security is on loan.

See notes to financial statements.

(c) Amount represents less than 0.05% of net assets.

(d) Rate disclosed is the daily yield on December 31, 2020.

LP — Limited Partnership

PLC — Public Limited Company

*See notes to financial statements.*

Security Description	Shares	Value
<b>Common Stocks (99.6%)</b>		
<b>Banks (10.4%):</b>		
Citizens Financial Group, Inc. ....	24,780	\$ 886,133
JPMorgan Chase & Co. ....	10,300	1,308,821
KeyCorp ....	43,670	716,625
		<u>2,911,579</u>
<b>Capital Markets (2.7%):</b>		
Cboe Global Markets, Inc. ....	8,150	758,928
<b>Communication Services (5.4%):</b>		
Alphabet, Inc., Class A (a) ....	452	792,193
Facebook, Inc., Class A (a) ....	2,630	718,411
		<u>1,510,604</u>
<b>Consumer Discretionary (7.8%):</b>		
Dollar Tree, Inc. (a) ....	8,170	882,687
LKQ Corp. (a) ....	36,580	1,289,079
		<u>2,171,766</u>
<b>Consumer Staples (7.8%):</b>		
Keurig Dr Pepper, Inc. ....	43,900	1,404,800
TreeHouse Foods, Inc. (a) ....	18,060	767,369
		<u>2,172,169</u>
<b>Health Care (6.6%):</b>		
Cigna Corp. ....	4,300	895,174
Humana, Inc. ....	1,330	545,659
Zimmer Biomet Holdings, Inc. ....	2,520	388,307
		<u>1,829,140</u>
<b>Industrials (9.9%):</b>		
Atkore International Group, Inc. (a) ....	17,000	698,870
Meritor, Inc. (a) ....	16,100	449,351
Sensata Technologies Holding PLC (a) ....	15,510	817,997
TFI International, Inc. (b) ....	15,750	810,951
		<u>2,777,169</u>
<b>Information Technology (12.5%):</b>		
Euronet Worldwide, Inc. (a) ....	6,740	976,761
Talend SA, ADR (a) (b) ....	14,000	536,760
Verint Systems, Inc. (a) ....	29,480	1,980,466
		<u>3,493,987</u>
<b>Insurance (14.6%):</b>		
Alleghany Corp. ....	1,730	1,044,384
RenaissanceRe Holdings Ltd. ....	8,370	1,387,913
Safety Insurance Group, Inc. ....	10,520	819,508
Stewart Information Services Corp. ....	16,570	801,325
		<u>4,053,130</u>

See notes to financial statements.

Security Description	Shares	Value
<b>Materials (12.3%):</b>		
Graphic Packaging Holding Co. ....	106,190	\$ 1,798,859
Sealed Air Corp. ....	35,230	1,613,182
		<u>3,412,041</u>
<b>Utilities (9.6%):</b>		
The AES Corp. ....	30,500	716,750
Vistra Corp. ....	99,920	1,964,427
		<u>2,681,177</u>
<b>Total Common Stocks (Cost \$21,909,592)</b>		<u>27,771,690</u>
<b>Collateral for Securities Loaned^ (2.8%)</b>		
BlackRock Liquidity Funds TempFund Portfolio, Institutional Class, 0.08% (c) . . . .	13,576	13,576
Fidelity Investments Money Market Government Portfolio, Class I, 0.01% (c) . . . .	466,427	466,427
Goldman Sachs Financial Square Prime Obligations Fund, Institutional Class, 0.04% (c) . . . . .	6,775	6,775
JPMorgan Prime Money Market Fund, Capital Class, 0.12% (c) . . . . .	54,024	54,024
Morgan Stanley Institutional Liquidity Prime Portfolio, Institutional Class, 0.09% (c) . . . . .	242,902	242,902
<b>Total Collateral for Securities Loaned (Cost \$783,704)</b>		<u>783,704</u>
<b>Total Investments (Cost \$22,693,296) — 102.4%</b>		<u>28,555,394</u>
<b>Liabilities in excess of other assets — (2.4%)</b>		<u>(677,946)</u>
<b>NET ASSETS — 100.00%</b>		<u>\$27,877,448</u>

^ Purchased with cash collateral from securities on loan.

(a) Non-income producing security.

(b) All or a portion of this security is on loan.

(c) Rate disclosed is the daily yield on December 31, 2020.

ADR — American Depositary Receipt

PLC — Public Limited Company

See notes to financial statements.

**Victory Global Natural Resources Fund**

December 31, 2020

Security Description	Shares	Value
<b>Common Stocks (93.2%)</b>		
<b>Chemicals (3.9%):</b>		
Sociedad Química y Minera de Chile SA, ADR (a) . . . . .	126,936	\$ 6,231,288
<b>Metals &amp; Mining (35.0%):</b>		
Antofagasta PLC . . . . .	135,349	2,667,491
First Quantum Minerals Ltd. (a) . . . . .	886,982	15,924,836
Lundin Mining Corp. . . . .	283,440	2,516,596
Newmont Corp. . . . .	113,853	6,818,656
Rio Tinto PLC, ADR . . . . .	31,120	2,340,846
Turquoise Hill Resources Ltd. (b) . . . . .	2,050,230	25,463,857
		55,732,282
<b>Oil, Gas &amp; Consumable Fuels (54.3%):</b>		
Antero Resources Corp. (b) . . . . .	1,376,535	7,502,116
ARC Resources Ltd. . . . .	1,600,624	7,545,961
Berry Petroleum Corp. . . . .	385,306	1,417,926
Cheniere Energy, Inc. (b) . . . . .	81,847	4,913,275
Concho Resources, Inc. . . . .	92,367	5,389,614
PDC Energy, Inc. (b) . . . . .	369,967	7,595,423
Peyto Exploration & Development Corp. . . . .	3,284,714	7,536,234
Range Resources Corp. (b) . . . . .	3,470,886	23,254,937
Tourmaline Oil Corp. . . . .	561,277	7,567,780
Whitecap Resources, Inc. . . . .	3,566,565	13,619,474
		86,342,740
<b>Total Common Stocks (Cost \$163,259,095)</b>		<b>148,306,310</b>
<b>Collateral for Securities Loaned<sup>^</sup> (1.7%)</b>		
BlackRock Liquidity Funds TempFund Portfolio, Institutional Class, 0.08% (c) . .	46,409	46,409
Fidelity Investments Money Market Government Portfolio, Class I, 0.01% (c) . . .	1,594,424	1,594,424
Goldman Sachs Financial Square Prime Obligations Fund, Institutional Class, 0.04% (c) . . . . .	23,160	23,160
JPMorgan Prime Money Market Fund, Capital Class, 0.12% (c) . . . . .	184,674	184,674
Morgan Stanley Institutional Liquidity Prime Portfolio, Institutional Class, 0.09% (c) . . . . .	830,331	830,331
<b>Total Collateral for Securities Loaned (Cost \$2,678,998)</b>		<b>2,678,998</b>
<b>Total Investments (Cost \$165,938,093) — 94.9%</b>		<b>150,985,308</b>
<b>Other assets in excess of liabilities — 5.1%</b>		<b>8,119,732</b>
<b>NET ASSETS — 100.00%</b>		<b>\$159,105,040</b>

<sup>^</sup> Purchased with cash collateral from securities on loan.

(a) All or a portion of this security is on loan.

(b) Non-income producing security.

(c) Rate disclosed is the daily yield on December 31, 2020.

ADR — American Depositary Receipt

PLC — Public Limited Company

See notes to financial statements.



# Statements of Assets and Liabilities

Victory Portfolios

December 31, 2020

	Victory RS Partners Fund	Victory RS Value Fund	Victory RS Large Cap Alpha Fund
<b>ASSETS:</b>			
Investments, at value (Cost \$269,108,339, \$260,951,221 and \$377,939,616)	\$345,212,181(a)	\$314,499,012(b)	\$475,158,381(c)
Cash and cash equivalents	13,095,572	2,657,025	1,284,462
Receivables:			
Interest and dividends	412,376	246,095	330,966
Capital shares issued	134,268	177,856	13,783
Investments sold	—	154,265	13,304,030
From Adviser	32,627	15,758	34,313
Prepaid expenses	16,710	4,219	1,033
<b>Total Assets</b>	<b>358,903,734</b>	<b>317,754,230</b>	<b>490,126,968</b>
<b>LIABILITIES:</b>			
Payables:			
Collateral received on loaned securities	18,186,593	9,026,020	72,767
Investments purchased	—	—	11,880,340
Capital shares redeemed	14,056,613	409,656	232,465
Accrued expenses and other payables:			
Investment advisory fees	286,720	219,003	200,520
Administration fees	17,403	15,711	24,590
Custodian fees	6,176	6,032	3,612
Transfer agent fees	53,927	51,570	65,422
Compliance fees	234	211	329
Trustees' fees	14	12	218
12b-1 fees	17,460	18,827	54,128
Other accrued expenses	37,973	51,868	30,297
<b>Total Liabilities</b>	<b>32,663,113</b>	<b>9,798,910</b>	<b>12,564,688</b>
<b>NET ASSETS:</b>			
Capital	260,836,402	266,041,831	376,864,557
Total accumulated earnings/(loss)	65,404,219	41,913,489	100,697,723
<b>Net Assets</b>	<b>\$326,240,621</b>	<b>\$307,955,320</b>	<b>\$477,562,280</b>
<b>Net Assets</b>			
Class A Shares	\$156,629,468	\$162,145,013	\$444,159,732
Class C Shares	—	2,618,169	11,325,588
Class R Shares	1,421,391	677,309	6,065,646
Class Y Shares	168,087,443	142,514,829	16,011,314
Member Class	102,319	—	—
<b>Total</b>	<b>\$326,240,621</b>	<b>\$307,955,320</b>	<b>\$477,562,280</b>
<b>Shares (unlimited number of shares authorized with a par value of \$0.001 per share):</b>			
Class A Shares	6,470,710	6,846,259	8,778,731
Class C Shares	—	126,776	269,199
Class R Shares	65,651	30,407	120,642
Class Y Shares	6,466,152	5,845,916	317,869
Member Class	4,225	—	—
<b>Total</b>	<b>13,006,738</b>	<b>12,849,358</b>	<b>9,486,441</b>
<b>Net asset value, offering (except Class A Shares) and redemption price per share:</b>			
Class A Shares	\$ 24.21	\$ 23.68	\$ 50.59
Class C Shares (d)	—	20.65	42.07
Class R Shares	21.65	22.27	50.28
Class Y Shares	25.99	24.38	50.37
Member Class	24.22	—	—
<b>Maximum Sales Charge — Class A Shares</b>	<b>5.75%</b>	<b>5.75%</b>	<b>5.75%</b>
<b>Maximum offering price (100%/(100%-maximum sales charge) of net asset value adjusted to the nearest cent) per share — Class A Shares</b>	<b>\$ 25.69</b>	<b>\$ 25.12</b>	<b>\$ 53.68</b>

(a) Includes \$17,574,751 of securities on loan.

(b) Includes \$8,641,535 of securities on loan.

(c) Includes \$72,460 of securities on loan.

(d) Redemption price per share varies by the length of time shares are held.

See notes to financial statements.

# Statements of Assets and Liabilities

Victory Portfolios

December 31, 2020

	Victory RS Investors Fund	Victory Global Natural Resources Fund
<b>ASSETS:</b>		
Investments, at value (Cost \$22,693,296 and \$165,938,093)	\$28,555,394(a)	\$ 150,985,308(b)
Foreign currency, at value (Cost \$— and \$47,776)	—	47,504
Cash and cash equivalents	154,129	9,947,689
Receivables:		
Interest and dividends	13,181	119,356
Capital shares issued	2,454	141,528
Investments sold	—	1,428,373
From Adviser	20,339	19,685
Prepaid expenses	382	1,887
Total Assets	28,745,879	162,691,330
<b>LIABILITIES:</b>		
Payables:		
Collateral received on loaned securities	783,704	2,678,998
Investments purchased	—	573,269
Capital shares redeemed	7,321	99,999
Accrued expenses and other payables:		
Investment advisory fees	23,274	131,796
Administration fees	1,409	7,528
Custodian fees	724	3,536
Transfer agent fees	6,207	29,818
Compliance fees	19	103
Trustees' fees	1	17
12b-1 fees	2,938	5,188
Other accrued expenses	42,834	56,038
Total Liabilities	868,431	3,586,290
<b>NET ASSETS:</b>		
Capital	24,204,958	2,083,247,576
Total accumulated earnings/(loss)	3,672,490	(1,924,142,536)
Net Assets	\$27,877,448	\$ 159,105,040
<b>Net Assets</b>		
Class A Shares	\$12,663,281	\$ 36,802,698
Class C Shares	3,305,992	2,385,333
Class R Shares	655,071	680,063
Class Y Shares	11,253,104	119,236,946
Total	\$27,877,448	\$ 159,105,040
<b>Shares (unlimited number of shares authorized with a par value of \$0.001 per share):</b>		
Class A Shares	986,287	2,977,907
Class C Shares	294,582	216,757
Class R Shares	57,404	58,507
Class Y Shares	849,915	9,257,569
Total	2,188,188	12,510,740
<b>Net asset value, offering (except Class A Shares) and redemption price per share:</b>		
Class A Shares	\$ 12.84	\$ 12.36
Class C Shares (c)	11.22	11.00
Class R Shares	11.41	11.62
Class Y Shares	13.24	12.88
Maximum Sales Charge — Class A Shares	5.75%	5.75%
<b>Maximum offering price (100%/100%-maximum sales charge) of net asset value adjusted to the nearest cent) per share — Class A Shares</b>		
	\$ 13.62	\$ 13.11

(a) Includes \$764,600 of securities on loan.

(b) Includes \$2,480,716 of securities on loan.

(c) Redemption price per share varies by the length of time shares are held.

See notes to financial statements.

# Statements of Operations

For the Year Ended December 31, 2020

Victory Portfolios

	Victory RS Partners Fund	Victory RS Value Fund	Victory RS Large Cap Alpha Fund
<b>Investment Income:</b>			
Dividends	\$ 5,232,234	\$ 4,209,717	\$ 9,129,759
Interest	55,133	52,878	70,796
Securities lending (net of fees)	52,846	54,856	16,689
Foreign tax withholding	(31,237)	(22,343)	(28,840)
<b>Total Income</b>	<b>5,308,976</b>	<b>4,295,108</b>	<b>9,188,404</b>
<b>Expenses:</b>			
Investment advisory fees	3,205,189	2,538,968	2,273,188
Administration fees	194,621	181,455	276,280
Sub-Administration fees	14,132	12,257	11,222
12b-1 fees — Class A Shares	358,430	393,850	1,051,673
12b-1 fees — Class C Shares	—	30,036	124,665
12b-1 fees — Class R Shares	6,195	3,638	30,080
Custodian fees	25,787	21,201	22,821
Transfer agent fees — Class A Shares	205,142	212,455	418,363
Transfer agent fees — Class C Shares	—	3,467	9,812
Transfer agent fees — Class R Shares	2,581	1,627	11,059
Transfer agent fees — Class Y Shares	145,047	162,117	16,511
Transfer agent fees — Member Class (a)	580	—	—
Trustees' fees	29,500	27,389	40,104
Compliance fees	2,837	2,650	4,009
Legal and audit fees	36,744	28,958	40,707
State registration and filing fees	66,862	76,843	71,567
Other expenses	91,559	78,632	45,980
<b>Total Expenses</b>	<b>4,385,206</b>	<b>3,775,543</b>	<b>4,448,041</b>
Expenses waived/reimbursed by Adviser	(316,786)	(199,071)	(314,607)
<b>Net Expenses</b>	<b>4,068,420</b>	<b>3,576,472</b>	<b>4,133,434</b>
<b>Net Investment Income (Loss)</b>	<b>1,240,556</b>	<b>718,636</b>	<b>5,054,970</b>
<b>Realized/Unrealized Gains (Losses) from Investments:</b>			
Net realized gains (losses) from investment securities and foreign currency translations	(11,698,940)	(12,229,730)	(4,201,598)
Net change in unrealized appreciation/depreciation on investment securities and foreign currency translations	(4,653,083)	(9,051,390)	(17,104,453)
<b>Net realized/unrealized gains (losses) on investments</b>	<b>(16,352,023)</b>	<b>(21,281,120)</b>	<b>(21,306,051)</b>
<b>Change in net assets resulting from operations</b>	<b>\$(15,111,467)</b>	<b>\$(20,562,484)</b>	<b>\$(16,251,081)</b>

(a) Victory RS Partners Fund Member Class commenced operations on November 3, 2020.

See notes to financial statements.

## Statements of Operations

For the Year Ended December 31, 2020

Victory Portfolios

	Victory RS Investors Fund	Victory Global Natural Resources Fund
<b>Investment Income:</b>		
Dividends	\$ 354,155	\$ 1,666,115
Interest	6,494	21,741
Securities lending (net of fees)	1,440	39,971
Foreign tax withholding	(1,675)	(170,527)
<b>Total Income</b>	<b>360,414</b>	<b>1,557,300</b>
<b>Expenses:</b>		
Investment advisory fees	292,916	1,173,199
Administration fees	17,774	71,178
Sub-Administration fees	11,222	11,222
12b-1 fees — Class A Shares	30,308	66,587
12b-1 fees — Class C Shares	44,359	19,095
12b-1 fees — Class R Shares	3,440	2,210
Custodian fees	3,359	17,060
Transfer agent fees — Class A Shares	15,917	84,411
Transfer agent fees — Class C Shares	6,073	7,112
Transfer agent fees — Class R Shares	1,617	1,188
Transfer agent fees — Class Y Shares	16,173	103,342
Trustees' fees	4,104	10,983
Compliance fees	262	1,034
Legal and audit fees	9,516	16,835
State registration and filing fees	72,301	80,057
Interfund lending fees	185	—
Other expenses	9,589	30,623
<b>Total Expenses</b>	<b>539,115</b>	<b>1,696,136</b>
Expenses waived/reimbursed by Adviser	(146,600)	(234,015)
<b>Net Expenses</b>	<b>392,515</b>	<b>1,462,121</b>
<b>Net Investment Income (Loss)</b>	<b>(32,101)</b>	<b>95,179</b>
<b>Realized/Unrealized Gains (Losses) from Investments:</b>		
Net realized gains (losses) from investment securities and foreign currency translations	(2,049,123)	(156,274,442)
Net change in unrealized appreciation/depreciation on investment securities and foreign currency translations	(1,336,814)	185,771,622
<b>Net realized/unrealized gains (losses) on investments</b>	<b>(3,385,937)</b>	<b>29,497,180</b>
<b>Change in net assets resulting from operations</b>	<b>\$(3,418,038)</b>	<b>\$ 29,592,359</b>

See notes to financial statements.

	Victory RS Partners Fund		Victory RS Value Fund		Victory RS Large Cap Alpha Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>From Investment Activities:</b>						
<b>Operations:</b>						
Net investment income (loss)	\$ 1,240,556	\$ 2,920,104	\$ 718,636	\$ 1,449,500	\$ 5,054,970	\$ 5,431,363
Net realized gains (losses) from investments	(11,698,940)	40,883,294	(12,229,730)	34,077,370	(4,201,598)	27,752,926
Net change in unrealized appreciation/depreciation on investments	(4,653,083)	74,331,906	(9,051,390)	69,785,270	(17,104,453)	109,044,824
Change in net assets resulting from operations	(15,111,467)	118,135,304	(20,562,484)	105,312,140	(16,251,081)	142,229,113
<b>Distributions to Shareholders:</b>						
Class A Shares	(2,382,023)	(18,545,144)	(3,101,649)	(14,419,529)	(16,466,861)	(19,425,553)
Class C Shares	—	—	(57,388)	(350,766)	(464,103)	(621,209)
Class R Shares	(24,191)	(152,466)	(13,629)	(70,532)	(206,060)	(249,827)
Class Y Shares	(2,572,869)	(23,073,509)	(2,641,513)	(12,497,492)	(617,022)	(786,292)
Member Class (a)	(1,246)	—	—	—	—	—
Change in net assets resulting from distributions to shareholders	(4,980,329)	(41,771,119)	(5,814,179)	(27,338,319)	(17,754,046)	(21,082,881)
Change in net assets resulting from capital transactions	(81,239,459)	(76,430,849)	(55,511,801)	(44,649,999)	(52,872,803)	(42,142,778)
Change in net assets	(101,331,255)	(66,664)	(81,888,464)	33,323,822	(86,877,930)	79,003,454
<b>Net Assets:</b>						
Beginning of period	427,571,876	427,638,540	389,843,784	356,519,962	564,440,210	485,436,756
End of period	\$ 326,240,621	\$ 427,571,876	\$ 307,955,320	\$ 389,843,784	\$ 477,562,280	\$ 564,440,210

(a) Victory RS Partners Fund Member Class commenced operations on November 3, 2020.

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(continued)

	Victory RS Partners Fund		Victory RS Value Fund		Victory RS Large Cap Alpha Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Capital Transactions:</b>						
<b>Class A Shares</b>						
Proceeds from shares issued	\$ 8,056,549	\$ 16,579,793	\$ 10,671,316	\$ 13,105,632	\$ 15,044,197	\$ 17,052,317
Distributions reinvested	2,346,101	18,238,219	3,021,005	14,014,003	16,006,543	18,921,963
Cost of shares redeemed	(38,903,637)	(48,748,054)	(43,963,514)	(38,839,092)	(76,615,653)	(65,297,079)
Total Class A Shares	\$(28,500,987)	\$(13,930,042)	\$(30,271,193)	\$(11,719,457)	\$(45,564,913)	\$(29,322,799)
<b>Class C Shares</b>						
Proceeds from shares issued	\$ —	\$ —	\$ 111,055	\$ 576,327	\$ 228,965	\$ 612,718
Distributions reinvested	—	—	57,388	332,779	464,103	578,811
Cost of shares redeemed	—	—	(1,886,466)	(7,244,004)	(4,905,429)	(6,481,288)
Total Class C Shares	\$ —	\$ —	\$ (1,718,023)	\$ (6,334,898)	\$ (4,212,361)	\$ (5,289,759)
<b>Class R Shares</b>						
Proceeds from shares issued	\$ 336,137	\$ 150,948	\$ 58,505	\$ 97,915	\$ 908,104	\$ 546,882
Distributions reinvested	24,191	152,466	13,629	70,532	206,047	247,948
Cost of shares redeemed	(421,656)	(207,402)	(319,314)	(380,522)	(1,850,065)	(1,453,937)
Total Class R Shares	\$ (61,328)	\$ 96,012	\$ (247,180)	\$ (212,075)	\$ (735,914)	\$ (659,107)
<b>Class Y Shares</b>						
Proceeds from shares issued	\$ 28,022,881	\$ 42,480,816	\$ 18,473,898	\$ 17,702,861	\$ 2,949,615	\$ 4,219,718
Distributions reinvested	2,567,572	22,957,985	2,604,139	12,251,365	596,266	759,111
Cost of shares redeemed	(83,363,101)	(128,035,620)	(44,353,442)	(56,337,795)	(5,905,496)	(11,849,942)
Total Class Y Shares	\$(52,772,648)	\$(62,596,819)	\$(23,275,405)	\$(26,383,569)	\$(2,359,615)	\$(6,871,113)
<b>Member Class (a)</b>						
Proceeds from shares issued	\$ 94,259	\$ —	\$ —	\$ —	\$ —	\$ —
Distributions reinvested	1,245	—	—	—	—	—
Total Member Class	\$ 95,504	\$ —	\$ —	\$ —	\$ —	\$ —
Change in net assets resulting from capital transactions	\$(81,239,459)	\$(76,430,849)	\$(55,511,801)	\$(44,649,999)	\$(52,872,803)	\$(42,142,778)

(a) Victory RS Partners Fund Member Class commenced operations on November 3, 2020.

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See notes to financial statements.

(continued)

	Victory RS Partners Fund		Victory RS Value Fund		Victory RS Large Cap Alpha Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Share Transactions:</b>						
<b>Class A Shares</b>						
Issued	411,941	691,105	545,133	542,728	327,242	343,113
Reinvested	98,163	758,032	130,384	567,685	321,465	357,509
Redeemed	(1,952,159)	(2,042,889)	(2,185,810)	(1,607,052)	(1,663,736)	(1,309,527)
Total Class A Shares	(1,442,055)	(593,752)	(1,510,293)	(496,639)	(1,015,029)	(608,905)
<b>Class C Shares</b>						
Issued	—	—	6,149	27,312	6,096	14,939
Reinvested	—	—	2,840	15,378	11,226	13,077
Redeemed	—	—	(105,185)	(341,331)	(129,105)	(156,432)
Total Class C Shares	—	—	(96,196)	(298,641)	(111,783)	(128,416)
<b>Class R Shares</b>						
Issued	19,278	6,910	3,076	4,276	19,865	11,149
Reinvested	1,131	7,039	625	3,033	4,172	4,724
Redeemed	(23,375)	(9,594)	(16,873)	(16,629)	(40,294)	(30,091)
Total Class R Shares	(2,966)	4,355	(13,172)	(9,320)	(16,257)	(14,218)
<b>Class Y Shares</b>						
Issued	1,326,866	1,651,373	931,019	717,334	60,906	84,116
Reinvested	100,022	895,516	109,188	482,657	12,016	14,386
Redeemed	(3,844,005)	(5,089,360)	(2,139,626)	(2,273,518)	(133,707)	(239,430)
Total Class Y Shares	(2,417,117)	(2,542,471)	(1,099,419)	(1,073,527)	(60,785)	(140,928)
<b>Member Class (a)</b>						
Issued	4,173	—	—	—	—	—
Reinvested	52	—	—	—	—	—
Total Member Class	4,225	—	—	—	—	—
Change in Shares	(3,857,913)	(3,131,868)	(2,719,080)	(1,878,127)	(1,203,854)	(892,467)

(a) Victory RS Partners Fund Member Class commenced operations on November 3, 2020.

See notes to financial statements.

	Victory RS Investors Fund		Victory Global Natural Resources Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>From Investment Activities:</b>				
<b>Operations:</b>				
Net investment income (loss)	\$ (32,101)	\$ (12,611)	\$ 95,179	\$ 698,765
Net realized gains (losses) from investments	(2,049,123)	1,944,737	(156,274,442)	(302,104,028)
Net change in unrealized appreciation/depreciation on investments	(1,336,814)	8,148,148	185,771,622	187,635,480
Change in net assets resulting from operations	(3,418,038)	10,080,274	29,592,359	(113,769,783)
<b>Distributions to Shareholders:</b>				
Class A Shares	(38,891)	(721,644)	(17,431)	—
Class C Shares	(11,599)	(330,965)	—	—
Class R Shares	(2,189)	(38,858)	—	—
Class Y Shares	(33,498)	(779,678)	(307,837)	(294,977)
Change in net assets resulting from distributions to shareholders	(86,177)	(1,871,145)	(325,268)	(294,977)
Change in net assets resulting from capital transactions	(12,411,650)	(2,879,723)	(21,333,904)	(200,204,338)
Change in net assets	(15,915,865)	5,329,406	7,933,187	(314,269,098)
<b>Net Assets:</b>				
Beginning of period	43,793,313	38,463,907	151,171,853	465,440,951
End of period	\$ 27,877,448	\$ 43,793,313	\$ 159,105,040	\$ 151,171,853

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	Victory RS Investors Fund		Victory Global Natural Resources Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Capital Transactions:</b>				
<b>Class A Shares</b>				
Proceeds from shares issued	\$ 1,680,515	\$ 1,270,985	\$ 5,505,577	\$ 9,391,402
Distributions reinvested	36,157	698,892	16,618	—
Cost of shares redeemed	(4,654,377)	(4,140,546)	(8,758,422)	(26,068,909)
Total Class A Shares	\$ (2,937,705)	\$ (2,170,669)	\$ (3,236,227)	\$ (16,677,507)
<b>Class C Shares</b>				
Proceeds from shares issued	\$ 64,083	\$ 400,138	\$ 496,242	\$ 177,189
Distributions reinvested	11,513	279,002	—	—
Cost of shares redeemed	(2,978,451)	(2,558,469)	(1,312,505)	(2,812,027)
Total Class C Shares	\$ (2,902,855)	\$ (1,879,329)	\$ (816,263)	\$ (2,634,838)
<b>Class R Shares</b>				
Proceeds from shares issued	\$ 46,519	\$ 47,252	\$ 263,387	\$ 264,804
Distributions reinvested	2,189	38,858	—	—
Cost of shares redeemed	(195,450)	(243,184)	(294,240)	(350,859)
Total Class R Shares	\$ (146,742)	\$ (157,074)	\$ (30,853)	\$ (86,055)
<b>Class Y Shares</b>				
Proceeds from shares issued	\$ 1,952,154	\$ 7,332,552	\$ 22,164,045	\$ 106,594,493
Distributions reinvested	33,328	760,887	288,040	250,255
Cost of shares redeemed	(8,409,830)	(6,766,090)	(39,702,646)	(287,650,686)
Total Class Y Shares	\$ (6,424,348)	\$ 1,327,349	\$ (17,250,561)	\$ (180,805,938)
Change in net assets resulting from capital transactions	\$(12,411,650)	\$(2,879,723)	\$(21,333,904)	\$(200,204,338)

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	Victory RS Investors Fund		Victory Global Natural Resources Fund	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Share Transactions:</b>				
<b>Class A Shares</b>				
Issued	153,026	99,510	690,679	851,433
Reinvested	2,876	53,885	1,375	—
Redeemed	(460,596)	(331,114)	(1,073,725)	(2,468,125)
Total Class A Shares	(304,694)	(177,719)	(381,671)	(1,616,692)
<b>Class C Shares</b>				
Issued	7,008	35,207	58,179	16,952
Reinvested	1,048	24,409	—	—
Redeemed	(311,413)	(225,759)	(179,802)	(275,087)
Total Class C Shares	(303,357)	(166,143)	(121,623)	(258,135)
<b>Class R Shares</b>				
Issued	4,704	4,134	32,115	28,305
Reinvested	196	3,347	—	—
Redeemed	(19,506)	(21,490)	(41,381)	(36,060)
Total Class R Shares	(14,606)	(14,009)	(9,266)	(7,755)
<b>Class Y Shares</b>				
Issued	176,376	550,472	2,643,842	8,945,033
Reinvested	2,572	57,038	22,860	25,407
Redeemed	(750,912)	(526,955)	(4,779,989)	(27,015,945)
Total Class Y Shares	(571,964)	80,555	(2,113,287)	(18,045,505)
Change in Shares	(1,194,621)	(277,316)	(2,625,847)	(19,928,087)

See notes to financial statements.

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For a Share Outstanding Throughout Each Period

		Investment Activities			Distributions to Shareholders From	
		Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income
Victory RS Partners Fund						
Class A						
Year Ended 12/31/20	\$24.47	0.04	0.07(e)	0.11	—	(0.37)
Year Ended 12/31/19	\$20.66	0.12	6.12	6.24	(0.21)	(2.22)
Year Ended 12/31/18	\$29.21	0.04	(3.52)	(3.48)	(0.08)	(4.99)
Year Ended 12/31/17	\$31.58	(0.25)	4.78	4.53	—	(6.90)
Year Ended 12/31/16	\$26.89	(0.12)	6.59	6.47	—	(1.78)
Class R						
Year Ended 12/31/20	\$22.01	(0.03)	0.04(e)	0.01	—	(0.37)
Year Ended 12/31/19	\$18.79	0.03	5.55	5.58	(0.14)	(2.22)
Year Ended 12/31/18	\$27.09	(0.04)	(3.27)	(3.31)	—	(4.99)
Year Ended 12/31/17	\$29.84	(0.44)	4.59	4.15	—	(6.90)
Year Ended 12/31/16	\$25.57	(0.21)	6.26	6.05	—	(1.78)
Class Y						
Year Ended 12/31/20	\$26.17	0.12	0.07(e)	0.19	—	(0.37)
Year Ended 12/31/19	\$21.94	0.21	6.52	6.73	(0.28)	(2.22)
Year Ended 12/31/18	\$30.67	0.14	(3.71)	(3.57)	(0.17)	(4.99)
Year Ended 12/31/17	\$32.75	(0.04)	4.86	4.82	—	(6.90)
Year Ended 12/31/16	\$27.75	(0.03)	6.81	6.78	—	(1.78)
Member Class						
11/3/20(f) through 12/31/20	\$19.64	0.01	4.94(e)	4.95	—	(0.37)

- (a) Per share net investment income (loss) has been calculated using the average daily shares method.
- (b) Not annualized for periods less than one year.
- (c) Annualized for periods less than one year.
- (d) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.
- (e) The amount shown for a share outstanding throughout the period does not accord with the change in net assets resulting from operations during the period because of the timing of sales and purchases of fund shares in relation to fluctuating market values during the period.
- (f) Commencement of operations.

See notes to financial statements.

*For a Share Outstanding Throughout Each Period*

Total Distributions	Net Asset Value, End of Period	Total Return (Excludes Sales Charge)(b)	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses(c)	Net Investment Income (Loss)(c)	Gross Expenses(c)	Net Assets, End of Period (000's)	Portfolio Turnover(b)(d)
(0.37)	\$24.21	0.46%	1.45%	0.20%	1.53%	\$156,629	108%
(2.43)	\$24.47	30.69%	1.45%	0.49%	1.52%	\$193,630	57%
(5.07)	\$20.66	(12.04)%	1.45%	0.14%	1.52%	\$175,723	62%
(6.90)	\$29.21	14.21%	1.45%	(0.75)%	1.50%	\$259,050	38%
(1.78)	\$31.58	24.04%	1.45%	(0.44)%	1.53%	\$378,695	60%
(0.37)	\$21.65	0.06%	1.81%	(0.15)%	2.87%	\$ 1,421	108%
(2.36)	\$22.01	30.26%	1.81%	0.12%	2.63%	\$ 1,510	57%
(4.99)	\$18.79	(12.39)%	1.81%	(0.16)%	2.37%	\$ 1,207	62%
(6.90)	\$27.09	13.81%	1.81%	(1.40)%	2.28%	\$ 2,168	38%
(1.78)	\$29.84	23.64%	1.81%	(0.78)%	1.81%	\$ 2,452	60%
(0.37)	\$25.99	0.77%	1.12%	0.54%	1.23%	\$168,087	108%
(2.50)	\$26.17	31.18%	1.12%	0.82%	1.21%	\$232,432	57%
(5.16)	\$21.94	(11.77)%	1.12%	0.48%	1.19%	\$250,709	62%
(6.90)	\$30.67	14.59%	1.12%	(0.11)%	1.21%	\$349,022	38%
(1.78)	\$32.75	24.41%	1.12%	(0.11)%	1.22%	\$378,271	60%
(0.37)	\$24.22	25.22%	1.25%	0.36%	33.63%	\$ 102	108%

See notes to financial statements.

*For a Share Outstanding Throughout Each Period*

	Investment Activities				Distributions to Shareholders From		
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investments	Total Distributions
Victory RS Value Fund							
Class A							
Year Ended 12/31/20	\$24.79	0.03	(0.68)	(0.65)	—	(0.46)	(0.46)
Year Ended 12/31/19	\$20.28	0.07	6.28	6.35	(0.14)	(1.70)	(1.84)
Year Ended 12/31/18	\$26.21	0.06	(2.85)	(2.79)	(0.14)	(3.00)	(3.14)
Year Ended 12/31/17	\$27.94	0.03	4.80	4.83	(0.04)	(6.52)	(6.56)
Year Ended 12/31/16	\$28.33	—(c)	3.09	3.09	(0.13)	(3.35)	(3.48)
Class C							
Year Ended 12/31/20	\$21.85	(0.11)	(0.63)	(0.74)	—	(0.46)	(0.46)
Year Ended 12/31/19	\$18.08	(0.11)	5.58	5.47	—	(1.70)	(1.70)
Year Ended 12/31/18	\$23.76	(0.13)	(2.55)	(2.68)	—	(3.00)	(3.00)
Year Ended 12/31/17	\$26.01	(0.08)	4.35	4.27	—	(6.52)	(6.52)
Year Ended 12/31/16	\$26.69	(0.21)	2.88	2.67	—	(3.35)	(3.35)
Class R							
Year Ended 12/31/20	\$23.44	(0.05)	(0.66)	(0.71)	—	(0.46)	(0.46)
Year Ended 12/31/19	\$19.26	(0.03)	5.95	5.92	(0.04)	(1.70)	(1.74)
Year Ended 12/31/18	\$25.06	(0.03)	(2.72)	(2.75)	(0.05)	(3.00)	(3.05)
Year Ended 12/31/17	\$27.03	(0.03)	4.58	4.55	—	(6.52)	(6.52)
Year Ended 12/31/16	\$27.51	(0.09)	2.96	2.87	—	(3.35)	(3.35)
Class Y							
Year Ended 12/31/20	\$25.45	0.08	(0.69)	(0.61)	—	(0.46)	(0.46)
Year Ended 12/31/19	\$20.77	0.13	6.44	6.57	(0.19)	(1.70)	(1.89)
Year Ended 12/31/18	\$26.77	0.13	(2.92)	(2.79)	(0.21)	(3.00)	(3.21)
Year Ended 12/31/17	\$28.40	0.06	4.94	5.00	(0.11)	(6.52)	(6.63)
Year Ended 12/31/16	\$28.57	0.08	3.10	3.18	—	(3.35)	(3.35)

(a) Per share net investment income (loss) has been calculated using the average daily shares method.

(b) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(c) Amount is less than \$0.005 per share.

(d) The Fund received monies related to nonrecurring refund from the prior Custodian. The corresponding impact to the total return was less than 0.005% for the period shown. (See Note 8)

*See notes to financial statements.*

*For a Share Outstanding Throughout Each Period*

Capital Contributions from Prior Custodian, Net (See Note 8)	Net Asset Value, End of Period	Total Return (Excludes Sales Charge)	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses	Net Investment Income (Loss)	Gross Expenses	Net Assets, End of Period (000's)	Portfolio Turnover(b)
—	\$23.68	(2.59)%	1.30%	0.14%	1.37%	\$162,145	73%
—	\$24.79	31.35%	1.30%	0.28%	1.35%	\$207,200	54%
—	\$20.28	(10.75)%	1.30%	0.24%	1.34%	\$179,535	65%
—	\$26.21	17.41%	1.30%	0.09%	1.33%	\$239,994	64%
—(c)	\$27.94	10.92%(d)	1.30%	(0.01)%	1.35%	\$268,979	67%
—	\$20.65	(3.35)%	2.07%	(0.62)%	2.60%	\$ 2,618	73%
—	\$21.85	30.32%	2.07%	(0.50)%	2.29%	\$ 4,872	54%
—	\$18.08	(11.41)%	2.07%	(0.54)%	2.14%	\$ 9,428	65%
—	\$23.76	16.53%	2.07%	(0.30)%	2.08%	\$ 16,916	64%
—(c)	\$26.01	10.01%(d)	2.07%	(0.78)%	2.13%	\$ 19,943	67%
—	\$22.27	(2.95)%	1.69%	(0.23)%	4.03%	\$ 677	73%
—	\$23.44	30.89%	1.69%	(0.13)%	3.47%	\$ 1,022	54%
—	\$19.26	(11.12)%	1.69%	(0.11)%	2.82%	\$ 1,019	65%
—	\$25.06	16.95%	1.69%	(0.11)%	2.29%	\$ 1,625	64%
—(c)	\$27.03	10.45%(d)	1.69%	(0.34)%	1.80%	\$ 1,670	67%
—	\$24.38	(2.37)%	1.06%	0.38%	1.10%	\$142,515	73%
—	\$25.45	31.69%	1.06%	0.51%	1.07%	\$176,749	54%
—	\$20.77	(10.54)%	1.06%	0.49%	1.06%	\$166,538	65%
—	\$26.77	17.71%	1.06%	0.20%	1.06%	\$247,528	64%
—(c)	\$28.40	11.14%(d)	1.06%	0.26%	1.19%	\$260,818	67%

*See notes to financial statements.*

*For a Share Outstanding Throughout Each Period*

	Investment Activities				Distributions to Shareholders From		
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investments	Total Distributions
<b>Victory RS Large Cap Alpha Fund</b>							
<b>Class A</b>							
Year Ended 12/31/20	\$53.11	0.52	(1.12)	(0.60)	(0.15)	(1.77)	(1.92)
Year Ended 12/31/19	\$42.20	0.51	12.44	12.95	(0.37)	(1.67)	(2.04)
Year Ended 12/31/18	\$56.61	0.44	(5.67)	(5.23)	(0.38)	(8.80)	(9.18)
Year Ended 12/31/17	\$51.86	0.38	9.10	9.48	—(c)	(4.73)	(4.73)
Year Ended 12/31/16	\$50.98	0.40	4.01	4.41	(0.42)	(3.12)	(3.54)
<b>Class C</b>							
Year Ended 12/31/20	\$44.70	0.14	(1.00)	(0.86)	—	(1.77)	(1.77)
Year Ended 12/31/19	\$35.78	0.10	10.50	10.60	(0.01)	(1.67)	(1.68)
Year Ended 12/31/18	\$49.50	(0.03)	(4.89)	(4.92)	—(c)	(8.80)	(8.80)
Year Ended 12/31/17	\$46.22	(0.04)	8.05	8.01	—	(4.73)	(4.73)
Year Ended 12/31/16	\$45.80	—(c)	3.57	3.57	(0.04)	(3.12)	(3.16)
<b>Class R</b>							
Year Ended 12/31/20	\$52.83	0.35	(1.13)	(0.78)	—	(1.77)	(1.77)
Year Ended 12/31/19	\$42.01	0.32	12.36	12.68	(0.19)	(1.67)	(1.86)
Year Ended 12/31/18	\$56.35	0.22	(5.61)	(5.39)	(0.15)	(8.80)	(8.95)
Year Ended 12/31/17	\$51.83	0.18	9.07	9.25	—	(4.73)	(4.73)
Year Ended 12/31/16	\$50.93	0.23	3.99	4.22	(0.21)	(3.12)	(3.33)
<b>Class Y</b>							
Year Ended 12/31/20	\$52.87	0.62	(1.10)	(0.48)	(0.25)	(1.77)	(2.02)
Year Ended 12/31/19	\$42.01	0.61	12.38	12.99	(0.46)	(1.67)	(2.13)
Year Ended 12/31/18	\$56.38	0.55	(5.64)	(5.09)	(0.48)	(8.80)	(9.28)
Year Ended 12/31/17	\$51.66	0.49	9.07	9.56	(0.11)	(4.73)	(4.84)
Year Ended 12/31/16	\$50.82	0.51	4.00	4.51	(0.56)	(3.12)	(3.68)

(a) Per share net investment income (loss) has been calculated using the average daily shares method.

(b) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(c) Amounts is less than \$0.005.

(d) The Fund received monies related to a nonrecurring refund from the prior Custodian. The corresponding impact to the total return was 0.01% for the period shown. (See Note 8)

*See notes to financial statements.*



*For a Share Outstanding Throughout Each Period*

Capital Contributions from Prior Custodian, Net (See Note 8)	Net Asset Value, End of Period	Total Return (Excludes Sales Charge)	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses	Net Investment Income (Loss)	Gross Expenses	Net Assets, End of Period (000's)	Portfolio Turnover(b)
—	\$50.59	(1.03)%	0.89%	1.13%	0.95%	\$444,160	95%
—	\$53.11	30.73%	0.89%	1.03%	0.95%	\$520,159	51%
—	\$42.20	(9.31)%	0.89%	0.77%	0.93%	\$439,035	59%
—	\$56.61	18.32%	0.89%	0.68%	0.94%	\$540,762	55%
0.01	\$51.86	8.67%(d)	0.89%	0.79%	0.92%	\$522,593	79%
—	\$42.07	(1.85)%	1.69%	0.37%	1.79%	\$ 11,326	95%
—	\$44.70	29.70%	1.69%	0.24%	1.74%	\$ 17,028	51%
—	\$35.78	(10.03)%	1.69%	(0.06)%	1.75%	\$ 18,227	59%
—	\$49.50	17.36%	1.69%	(0.08)%	1.71%	\$ 29,771	55%
0.01	\$46.22	7.80%(d)	1.69%	(0.01)%	1.71%	\$ 28,801	79%
—	\$50.28	(1.41)%	1.26%	0.77%	1.50%	\$ 6,066	95%
—	\$52.83	30.23%	1.26%	0.66%	1.48%	\$ 7,232	51%
—	\$42.01	(9.63)%	1.26%	0.38%	1.40%	\$ 6,348	59%
—	\$56.35	17.87%	1.26%	0.33%	1.42%	\$ 10,229	55%
0.01	\$51.83	8.30%(d)	1.23%	0.45%	1.23%	\$ 10,631	79%
—	\$50.37	(0.83)%	0.68%	1.34%	0.82%	\$ 16,011	95%
—	\$52.87	30.99%	0.68%	1.24%	0.78%	\$ 20,021	51%
—	\$42.01	(9.11)%	0.68%	0.96%	0.75%	\$ 21,827	59%
—	\$56.38	18.56%	0.68%	0.88%	0.72%	\$ 33,638	55%
0.01	\$51.66	8.89%(d)	0.68%	1.00%	0.69%	\$ 31,840	79%

See notes to financial statements.

For a Share Outstanding Throughout Each Period

	Net Asset Value, Beginning of Period	Investment Activities			Distributions to Shareholders From	
		Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investments
Victory RS Investors Fund						
Class A						
Year Ended 12/31/20	\$13.10	(0.01)	(0.21)	(0.22)	—	(0.04)
Year Ended 12/31/19	\$10.68	—(c)	2.99	2.99	—	(0.57)
Year Ended 12/31/18	\$13.86	—(c)	(1.27)	(1.27)	—	(1.91)
Year Ended 12/31/17	\$13.65	(0.03)	2.23	2.20	—	(1.99)
Year Ended 12/31/16	\$12.42	—(c)	1.23	1.23	—	—
Class C						
Year Ended 12/31/20	\$11.54	(0.08)	(0.20)	(0.28)	—	(0.04)
Year Ended 12/31/19	\$ 9.53	(0.08)	2.66	2.58	—	(0.57)
Year Ended 12/31/18	\$12.68	(0.10)	(1.14)	(1.24)	—	(1.91)
Year Ended 12/31/17	\$12.73	(0.19)	2.13	1.94	—	(1.99)
Year Ended 12/31/16	\$11.67	(0.09)	1.15	1.06	—	—
Class R						
Year Ended 12/31/20	\$11.72	(0.07)	(0.20)	(0.27)	—	(0.04)
Year Ended 12/31/19	\$ 9.66	(0.07)	2.70	2.63	—	(0.57)
Year Ended 12/31/18	\$12.81	(0.08)	(1.16)	(1.24)	—	(1.91)
Year Ended 12/31/17	\$12.83	(0.17)	2.14	1.97	—	(1.99)
Year Ended 12/31/16	\$11.73	(0.06)	1.16	1.10	—	—
Class Y						
Year Ended 12/31/20	\$13.47	0.02	(0.21)	(0.19)	—	(0.04)
Year Ended 12/31/19	\$10.94	0.03	3.07	3.10	—	(0.57)
Year Ended 12/31/18	\$14.10	0.03	(1.28)	(1.25)	—	(1.91)
Year Ended 12/31/17	\$13.82	0.03	2.24	2.27	—	(1.99)
Year Ended 12/31/16	\$12.55	0.04	1.24	1.28	(0.01)	—

(a) Per share net investment income (loss) has been calculated using the average daily shares method.

(b) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(c) Amount is less than \$0.005 per share.

See notes to financial statements.

*For a Share Outstanding Throughout Each Period*

Total Distributions	Net Asset Value, End of Period	Total Return (Excludes Sales Charge)	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses	Net Investment Income (Loss)	Gross Expenses	Net Assets, End of Period (000's)	Portfolio Turnover(b)
(0.04)	\$12.84	(1.68)%	1.33%	(0.08)%	1.71%	\$12,663	66%
(0.57)	\$13.10	28.01%	1.33%	0.03%	1.62%	\$16,906	64%
(1.91)	\$10.68	(9.36)%	1.33%	(0.03)%	1.58%	\$15,682	56%
(1.99)	\$13.86	16.28%	1.33%	(0.24)%	1.54%	\$20,419	80%
—	\$13.65	9.90%	1.33%	0.02%	1.56%	\$28,022	92%
(0.04)	\$11.22	(2.43)%	2.07%	(0.85)%	2.75%	\$ 3,306	66%
(0.57)	\$11.54	27.08%	2.07%	(0.73)%	2.54%	\$ 6,898	64%
(1.91)	\$ 9.53	(10.08)%	2.07%	(0.82)%	2.44%	\$ 7,282	56%
(1.99)	\$12.68	15.48%	2.07%	(1.42)%	2.35%	\$11,149	80%
—	\$12.73	9.08%	2.07%	(0.72)%	2.35%	\$14,517	92%
(0.04)	\$11.41	(2.30)%	1.95%	(0.71)%	4.41%	\$ 655	66%
(0.57)	\$11.72	27.24%	1.95%	(0.59)%	3.85%	\$ 844	64%
(1.91)	\$ 9.66	(9.91)%	1.95%	(0.64)%	3.15%	\$ 831	56%
(1.99)	\$12.81	15.50%	1.95%	(1.27)%	2.72%	\$ 1,379	80%
—	\$12.83	9.38%	1.92%	(0.50)%	1.92%	\$ 1,314	92%
(0.04)	\$13.24	(1.41)%	1.05%	0.17%	1.50%	\$11,253	66%
(0.57)	\$13.47	28.35%	1.05%	0.27%	1.43%	\$19,146	64%
(1.91)	\$10.94	(9.06)%	1.05%	0.18%	1.37%	\$14,669	56%
(1.99)	\$14.10	16.59%	1.05%	0.19%	1.25%	\$27,131	80%
(0.01)	\$13.82	10.17%	1.05%	0.28%	1.24%	\$50,013	92%

*See notes to financial statements.*

For a Share Outstanding Throughout Each Period

	Investment Activities				Distributions to Shareholders From	
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Total Distributions
Victory Global Natural Resources Fund						
Class A						
Year Ended 12/31/20	\$ 9.71	(0.01)	2.67	2.66	(0.01)	(0.01)
Year Ended 12/31/19	\$12.86	—(c)	(3.15)	(3.15)	—	—
Year Ended 12/31/18	\$23.73	(0.14)	(10.73)	(10.87)	—	—
Year Ended 12/31/17	\$23.49	(0.22)	0.46	0.24	—	—
Year Ended 12/31/16	\$15.34	(0.10)	8.25	8.15	—	—
Class C						
Year Ended 12/31/20	\$ 8.71	(0.07)	2.36	2.29	—	—
Year Ended 12/31/19	\$11.63	(0.08)	(2.84)	(2.92)	—	—
Year Ended 12/31/18	\$21.63	(0.28)	(9.72)	(10.00)	—	—
Year Ended 12/31/17	\$21.59	(0.36)	0.40	0.04	—	—
Year Ended 12/31/16	\$14.21	(0.24)	7.62	7.38	—	—
Class R						
Year Ended 12/31/20	\$ 9.16	(0.04)	2.50	2.46	—	—
Year Ended 12/31/19	\$12.18	(0.04)	(2.98)	(3.02)	—	—
Year Ended 12/31/18	\$22.56	(0.20)	(10.18)	(10.38)	—	—
Year Ended 12/31/17	\$22.42	(0.29)	0.43	0.14	—	—
Year Ended 12/31/16	\$14.68	(0.15)	7.89	7.74	—	—
Class Y						
Year Ended 12/31/20	\$10.11	0.02	2.78	2.80	(0.03)	(0.03)
Year Ended 12/31/19	\$13.38	0.03	(3.27)	(3.24)	(0.03)	(0.03)
Year Ended 12/31/18	\$24.60	(0.06)	(11.16)	(11.22)	—	—
Year Ended 12/31/17	\$24.28	(0.14)	0.46	0.32	—	—
Year Ended 12/31/16	\$15.80	(0.04)	8.52	8.48	—	—

\* Includes adjustments in accordance with U.S. generally accepted accounting principles.

(a) Per share net investment income (loss) has been calculated using the average daily shares method.

(b) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(c) Amount is less than \$0.005 per share.

See notes to financial statements.

For a Share Outstanding Throughout Each Period

Capital Contributions from Prior Custodian, Net (See Note 8)	Net Asset Value, End of Period	Total Return (Excludes Sales Charge)*	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses	Net Investment Income (Loss)	Gross Expenses	Net Assets, End of Period (000's)	Portfolio Turnover(b)
—	\$12.36	27.35%	1.48%	(0.15)%	1.79%	\$ 36,803	46%
—	\$ 9.71	(24.49)%	1.48%	—(d)	1.69%	\$ 32,630	24%
—	\$12.86	(45.81)%	1.48%	(0.65)%	1.54%	\$ 64,001	26%
—	\$23.73	1.02%	1.48%	(0.93)%	1.55%	\$ 262,455	57%(e)
—(c)	\$23.49	53.13%(f)	1.48%	(0.51)%	1.48%	\$ 545,778	29%
—	\$11.00	26.29%	2.28%	(0.92)%	3.32%	\$ 2,385	46%
—	\$ 8.71	(25.11)%	2.28%	(0.81)%	2.75%	\$ 2,949	24%
—	\$11.63	(46.26)%	2.28%	(1.42)%	2.38%	\$ 6,939	26%
—	\$21.63	0.23%	2.28%	(1.72)%	2.35%	\$ 20,428	57%(e)
—(c)	\$21.59	51.94%(f)	2.28%	(1.32)%	2.31%	\$ 30,789	29%
—	\$11.62	26.86%	1.86%	(0.51)%	5.74%	\$ 680	46%
—	\$ 9.16	(24.79)%	1.86%	(0.37)%	4.31%	\$ 621	24%
—	\$12.18	(46.01)%	1.86%	(0.99)%	2.50%	\$ 920	26%
—	\$22.56	0.62%	1.86%	(1.31)%	2.20%	\$ 2,442	57%(e)
—(c)	\$22.42	52.72%(f)	1.74%	(0.80)%	1.74%	\$ 4,611	29%
—	\$12.88	27.73%	1.15%	0.18%	1.28%	\$ 119,237	46%
—	\$10.11	(24.25)%	1.15%	0.27%	1.26%	\$ 114,972	24%
—	\$13.38	(45.63)%	1.15%	(0.29)%	1.20%	\$ 393,581	26%
—	\$24.60	1.36%	1.15%	(0.58)%	1.19%	\$1,126,533	57%(e)
—(c)	\$24.28	53.67%(f)	1.15%	(0.19)%	1.17%	\$1,300,024	29%

(d) Amount is less than \$0.005%.

(e) Portfolio turnover increased due to change within the portfolio holdings during the year.

(f) The Fund received monies related to a nonrecurring refund from the prior Custodian. The corresponding impact to the total return was less than 0.005% for the period shown. (See Note 8)

See notes to financial statements.

## 1. Organization:

Victory Portfolios (the “Trust”) was organized on December 6, 1995 as a Delaware statutory trust as a successor to a company named “The Victory Portfolios,” which was organized as a Massachusetts business trust on February 5, 1986. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end investment company. The Trust is comprised of 42 funds and is authorized to issue an unlimited number of shares, which are units of beneficial interest with a par value of \$0.001 per share. Each Fund, with the exception of RS Investors Fund and Global Natural Resources Fund, is classified as diversified under the 1940 Act.

The accompanying financial statements are those of the following five Funds (collectively, the “Funds” and individually, a “Fund”).

<u>Funds (Legal Name)</u>	<u>Funds (Short Name)</u>	<u>Investment Share Classes Offered</u>
Victory RS Partners Fund	RS Partners Fund	Classes A, R, Y and Member Class*
Victory RS Value Fund	RS Value Fund	Classes A, C, R and Y
Victory RS Large Cap Alpha Fund	RS Large Cap Alpha Fund	Classes A, C, R and Y
Victory RS Investors Fund	RS Investors Fund	Classes A, C, R and Y
Victory Global Natural Resources Fund	Global Natural Resources Fund	Classes A, C, R and Y

\* Member Class commenced operations on November 3, 2020.

Each class of shares of a Fund has substantially identical rights and privileges except with respect to sales charges, fees paid under distribution plans, expenses allocable exclusively to each class of shares, voting rights on matters solely affecting a single class of shares, and the exchange privilege of each class of shares.

Under the Trust’s organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts with their vendors and others that provide for general indemnifications. The Funds’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds. However, based on experience, the Funds expect that risk of loss to be remote.

## 2. Significant Accounting Policies:

The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements. The policies are in conformity with Generally Accepted Accounting Principles in the United States of America (“GAAP”). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The Funds follow the specialized accounting and reporting requirements under GAAP that are applicable to investment companies.

### Investment Valuation:

The Funds record investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuation techniques described below maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The inputs used for valuing the Funds’ investments are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities or interest rates applicable to those securities, etc.)

- Level 3 — significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The inputs or methodologies used for valuation techniques are not necessarily an indication of the risk associated with entering into those investments.

Portfolio securities listed or traded on securities exchanges, including Exchange-Traded Funds ("ETFs"), American Depositary Receipts ("ADRs") and Rights, are valued at the closing price on the exchange or system where the security is principally traded, if available, or at the Nasdaq Official Closing Price. If there have been no sales for that day on the exchange or system, then a security is valued at the last available bid quotation on the exchange or system where the security is principally traded. In each of these situations, valuations are typically categorized as Level 1 in the fair value hierarchy.

Investments in open-end investment companies are valued at net asset value. These valuations are typically categorized as Level 1 in the fair value hierarchy.

Investments for which there are no such quotations, or for which quotations do not appear reliable, are valued at fair value in accordance with procedures established by and under the general supervision and responsibility of the Trust's Board of Trustees (the "Board"). These valuations are typically categorized as Level 2 or Level 3 in the fair value hierarchy, based on the observability of inputs used to determine the fair value.

A summary of the valuations as of December 31, 2020, based upon the three levels defined above, is included in the table below while the breakdown, by category, of investments is disclosed on the Schedules of Portfolio Investments.

	Level 1	Level 2	Level 3	Total
<b>RS Partners Fund</b>				
Common Stocks .....	\$326,438,219	\$ —	\$ —	\$326,438,219
Preferred Stocks .....	—	—	587,369	587,369
Collateral for Securities Loaned .....	18,186,593	—	—	18,186,593
Total .....	<u>\$344,624,812</u>	<u>\$ —</u>	<u>\$587,369</u>	<u>\$345,212,181</u>
<b>RS Value Fund</b>				
Common Stocks .....	\$305,472,992	\$ —	\$ —	\$305,472,992
Collateral for Securities Loaned .....	9,026,020	—	—	9,026,020
Total .....	<u>\$314,499,012</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$314,499,012</u>
<b>RS Large Cap Alpha Fund</b>				
Common Stocks .....	\$475,085,614	\$ —	\$ —	\$475,085,614
Collateral for Securities Loaned .....	72,767	—	—	72,767
Total .....	<u>\$475,158,381</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$475,158,381</u>
<b>RS Investors Fund</b>				
Common Stocks .....	\$ 27,771,690	\$ —	\$ —	\$ 27,771,690
Collateral for Securities Loaned .....	783,704	—	—	783,704
Total .....	<u>\$ 28,555,394</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28,555,394</u>
<b>Global Natural Resources Fund</b>				
Common Stocks .....	\$145,638,819	\$2,667,491	\$ —	\$148,306,310
Collateral for Securities Loaned .....	2,678,998	—	—	2,678,998
Total .....	<u>\$148,317,817</u>	<u>\$2,667,491</u>	<u>\$ —</u>	<u>\$150,985,308</u>

For the year ended December 31, 2020, there were no transfers in or out of the Level 3 fair value hierarchy.

**Real Estate Investment Trusts (“REITs”):**

The Funds may invest in REITs, which report information on the source of their distributions annually. REITs are pooled investment vehicles that invest primarily in income-producing real estate or real estate-related loans or interests (such as mortgages). Certain distributions received from REITs during the year are recorded as realized gains or return of capital as estimated by the Funds or when such information becomes known.

**Investment Companies:****Open-End Funds:**

The Funds may invest in portfolios of open-end investment companies. These investment companies value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value by the methods established by the board of directors of the underlying funds.

**Investment Transactions and Related Income:**

Changes in holdings of investments are accounted for no later than one business day following the trade date. For financial reporting purposes, however, investment transactions are accounted for on trade date on the last business day of the reporting period. Interest income is determined on the basis of coupon interest accrued using the effective interest method which adjusts, where applicable, the amortization of premiums or accretion of discounts. Dividend income is recorded on the ex-dividend date. Gains or losses realized on sales of securities are recorded on the identified cost basis.

Withholding taxes on interest, dividends and gains as a result of certain investments in ADRs by the Funds have been provided for in accordance with each investment's applicable country's tax rules and rates.

**Securities Lending:**

The Trust has entered into a Master Securities Lending Agreement (“MSLA”) with Citibank, N.A. (“Citibank” or the “Agent”). Under the terms of the MSLA, the Funds may lend securities to certain broker-dealers and banks in exchange for collateral in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked-to-market daily. Any collateral shortfalls associated with increases in the valuation of the securities loaned are adjusted the next business day. The collateral can be received in the form of cash collateral and/or non-cash collateral. Non-cash collateral can include U.S. Government Securities, letters of credit and certificates of deposit. The cash collateral is invested in short-term instruments or cash equivalents, primarily open-end investment companies, as noted on the Funds' Schedules of Portfolio Investments. The Trust does not have effective control of the non-cash collateral and therefore it is not disclosed on the Funds' Schedules of Portfolio Investments. During the time portfolio securities are on loan, the borrower will pay the Funds any dividends or interest paid on such securities plus any fee negotiated between the parties to the lending agreement. The Funds also earn a return from the collateral. The Funds pay the Agent various fees in connection with the investment of cash collateral and fees based on the investment income received from securities lending activities. Securities lending income (net of these fees) is disclosed on the Statements of Operations. Although risk is mitigated by the collateral, the Funds could experience a delay in recovering their securities and possible loss of income or value if the borrower fails to return them.

Securities lending transactions are entered into by a Fund under the MSLA, which permits the Fund, under certain circumstances such as an event of default, to offset amounts payable by the Fund to the same counterparty against amounts receivable from the counterparty to create a net payment due to or from the Fund.

The following table is a summary of the Funds' securities lending transactions which are subject to offset under the MSLA as of December 31, 2020. These transactions are accounted for as secured borrowings with an overnight and continuous contractual maturity for cash collateral and greater than overnight and continuous contractual maturity for non-cash collateral.



	Gross Amount of Recognized Assets (Value of Securities on Loan)	Value of Cash Collateral Received*	Value of Non-cash Collateral Received by Maturity			Net Amount
			Between			
			<30 Days	30 & 90 Days	>90 Days	
RS Partners Fund .....	\$17,574,751	\$17,574,751	\$—	\$—	\$—	\$—
RS Value Fund .....	8,641,535	8,641,535	—	—	—	—
RS Large Cap Alpha Fund .....	72,460	72,460	—	—	—	—
RS Investors Fund .....	764,600	764,600	—	—	—	—
Global Natural Resources Fund ...	2,480,716	2,480,716	—	—	—	—

\* Collateral received in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by each Fund is disclosed in the Statements of Assets and Liabilities.

### **Foreign Currency Translations:**

The accounting records of the Funds are maintained in U.S. dollars. Investment securities and other assets and liabilities of a Fund denominated in a foreign currency are translated into U.S. dollars at current exchange rates. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars at the exchange rates on the date of the transactions. The Funds do not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are disclosed as Net change in unrealized appreciation/depreciation on investment securities and foreign currency translations on the Statements of Operations. Any realized gains or losses from these fluctuations are disclosed as Net realized gains (losses) from investment securities and foreign currency translations on the Statements of Operations.

### **Federal Income Taxes:**

It is the policy of each Fund to continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in applicable sections of the Internal Revenue Code, and to make distributions of net investment income and net realized gains sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes is required in the financial statements. The Funds have a tax year end of December 31.

Management of the Funds has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax years, which includes the current fiscal tax year end). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

### **Allocations:**

Expenses directly attributable to a Fund are charged to the Fund, while expenses which are attributable to more than one fund in the Trust, or jointly with an affiliated trust, are allocated among the respective funds in the Trust and/or affiliated trust based upon net assets or another appropriate basis.

Income, expenses (other than class-specific expenses such as transfer agent fees, state registration fees, printing fees and 12b-1 fees), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets on the date income is earned or expenses and realized and unrealized gains and losses are incurred.

**3. Purchases and Sales of Securities:**

Purchases and sales of securities (excluding securities maturing less than one year from acquisition) for the year ended December 31, 2020, were as follows:

	Purchases (excluding U.S. Government Securities)	Sales (excluding U.S. Government Securities)
RS Partners Fund	\$339,353,592	\$409,425,678
RS Value Fund	214,548,336	260,377,267
RS Large Cap Alpha Fund	422,858,127	469,596,849
RS Investors Fund	18,844,853	30,039,923
Global Natural Resources Fund	51,236,662	77,108,812

For the year ended December 31, 2020, there were no purchases or sales of U.S. Government Securities.

**4. Fees and Transactions with Affiliates and Related Parties:**

Investment advisory services are provided to the Funds by Victory Capital Management Inc. ("VCM" or the "Adviser"), a New York corporation registered as an investment adviser with the Securities and Exchange Commission ("SEC"). The Adviser is a wholly owned indirect subsidiary of Victory Capital Holdings, Inc., a publicly traded Delaware corporation and a wholly owned direct subsidiary of Victory Capital Operating, LLC. Amounts incurred and paid to VCM for the year ended December 31, 2020, are reflected on the Statements of Operations as Investment advisory fees.

VCM has entered into a Sub-Advisory Agreement with SailingStone Capital Partners LLC ("SailingStone"). SailingStone is responsible for providing day-to-day investment advisory services to the Global Natural Resources Fund, subject to the oversight of the Board. Sub-investment advisory fees paid by VCM to SailingStone do not represent a separate or additional expense to the Funds.

Under the terms of the Investment Advisory Agreement, the Adviser is entitled to receive fees based on a percentage of the average daily net assets of each Fund. The rates at which the Adviser is paid by each Fund are included in the table below. The Adviser may use its resources to assist with the Funds' distribution and marketing expenses.

	Flat Rate
RS Partners Fund	1.00%
RS Value Fund	0.85%
RS Large Cap Alpha Fund	0.50%
RS Investors Fund	1.00%
Global Natural Resources Fund	1.00%

VCM also serves as the Funds' administrator and fund accountant. Under the Administration and Fund Accounting Agreement, VCM is paid for its services an annual fee at a rate of 0.08% of the first \$15 billion in average daily net assets of the Trust, Victory Variable Insurance Funds and Victory Portfolios II (collectively, the "Victory Funds Complex"), 0.05% of the average daily net assets above \$15 billion to \$30 billion of the Victory Funds Complex and 0.04% of the average daily net assets over \$30 billion of the Victory Funds Complex. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as Administration fees.

Citi Fund Services Ohio, Inc. ("Citi"), an affiliate of Citibank, acts as sub-administrator and sub-fund accountant to the Funds pursuant to the Sub-Administration and Sub-Fund Accounting Services Agreement between VCM and Citi. VCM pays Citi a fee for providing these services. The Funds reimburse VCM and Citi for out-of-pocket expenses incurred in providing these services and certain other expenses specifically allocated to the Funds. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as Sub-Administration fees.

Citibank serves as the Funds' custodian. The Funds pay Citibank a fee for providing these services. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as Custodian fees.

FIS Investor Services, LLC ("FIS") serves as the Funds' transfer agent. Under the Transfer Agent Agreement, the Trust pays FIS a fee for its services and reimburses FIS for all of their reasonable out-of-pocket expenses incurred in providing these services. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as Transfer agent fees.

Victory Capital Transfer Agency, Inc., an affiliate of the Adviser, serves as sub-transfer agent for the Member Class shares of the Funds and receives no fee or other compensation for these services.

The Chief Compliance Officer ("CCO") is an employee of the Adviser, which pays the compensation of the CCO and his support staff. The Trust has entered into an Agreement to provide compliance services with the Adviser, pursuant to which the Adviser furnishes its compliance personnel, including the services of the CCO, and other resources reasonably necessary to provide the Trust with compliance oversight services related to the design, administration and oversight of a compliance program for the Trust in accordance with Rule 38a-1 under the 1940 Act. The Funds in the Victory Funds Complex, in aggregate, compensate the Adviser for these services. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as Compliance fees.

Sidley Austin LLP provides legal services to the Trust.

Victory Capital Services, Inc. (the "Distributor"), an affiliate of the Adviser, serves as distributor for the continuous offering of the shares of the Funds pursuant to a Distribution Agreement between the Distributor and the Trust, and receives no fee or other compensation for these services. Effective June 30, 2020, the Distributor's name was changed from Victory Capital Advisers, Inc. Amounts incurred for the year ended December 31, 2020, are reflected on the Statements of Operations as 12b-1 fees.

Pursuant to the Distribution and Service Plans adopted in accordance with Rule 12b-1 under the 1940 Act, the Distributor may receive a monthly distribution and service fee, at an annual rate of up to 0.25% of the average daily net assets of Class A Shares, at an annual rate of up to 0.50% of the average daily net assets of Class R Shares and 1.00% of the average daily net assets of Class C Shares of the Funds. The distribution and service fees paid to the Distributor may be used by the Distributor to pay for activities primarily intended to result in the sale of Class A, Class R or Class C Shares of the Funds.

In addition, the Distributor is entitled to receive commissions on sales of the Class A Shares of the Funds. For the year ended December 31, 2020, the Distributor received approximately \$ 19,237 from commissions earned on sales of Class A Shares of the Funds.

The Adviser has entered into expense limitation agreements with certain Funds. Under the terms of the agreements, the Adviser has agreed to waive fees or reimburse certain expenses to the extent that ordinary operating expenses incurred by certain classes of a Fund in any fiscal year exceed the expense limit for such classes of the Fund. Such excess amounts will be the liability of the Adviser. Interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with GAAP, and other extraordinary expenses not incurred in the ordinary course of a Fund's business are excluded from the expense limits. As of December 31, 2020, the expense limits (excluding voluntary waivers) are as follows:

	In effect until April 30, 2021				
	Class A Shares	Class C Shares	Class R Shares	Class Y Shares	Member Class
RS Partners Fund .....	1.45%	N/A	1.81%	1.12%	1.25%(a)
RS Value Fund .....	1.30%	2.07%	1.69%	1.06%	N/A
RS Large Cap Alpha Fund .....	0.89%	1.69%	1.26%	0.68%	N/A
RS Investors Fund .....	1.33%	2.07%	1.95%	1.05%	N/A
Global Natural Resources Fund .....	1.48%	2.28%	1.86%	1.15%	N/A

(a) In effect from November 3, 2020, until at least April 30, 2022.

The Funds have agreed to repay fees and expenses that were waived or reimbursed by the Adviser for a period up to three fiscal years after such waiver or reimbursement was made to the extent such payments or repayments would not cause the expenses of a class to exceed the original expense limitation in place at the time of the waiver or reimbursement or any expense limitation agreement in place at the time of repayment. Amounts repaid to the Adviser during the year, if any, are reflected on the Statements of Operations as Recoupment of prior expenses waived/reimbursed by Adviser.

As of December 31, 2020, the following amounts are available to be repaid to the Adviser. The Funds have not recorded any amounts available to be repaid as a liability due to an assessment that such repayment is not probable at December 31, 2020.

	Expires December 31, 2021	Expires December 31, 2022	Expires December 31, 2023	Total
RS Partners Fund	\$386,406	\$344,191	\$316,786	\$1,047,383
RS Value Fund	116,096	154,554	199,071	469,721
RS Large Cap Alpha Fund	236,137	327,684	314,607	878,428
RS Investors Fund	163,946	162,310	146,600	472,856
Global Natural Resources Fund	577,205	429,505	234,015	1,240,725

The Adviser may voluntarily waive or reimburse additional fees to assist the Funds in maintaining competitive expense ratios. Voluntary waivers and reimbursements applicable to the Funds are not available to be recouped at a future time. There were no voluntary waivers or reimbursements for the year ended December 31, 2020.

Certain officers and/or interested trustees of the Funds are also officers and/or employees of the Adviser, Administrator, Fund Accountant, Sub-Administrator, Sub-Fund Accountant, Custodian, Distributor, and Legal Counsel.

## 5. Risks:

Each Fund may be subject to other risks in addition to these identified risks.

**Equity Risk** — An investment in the Funds' shares represents an indirect investment in the securities owned by the Funds, some of which will be traded on a national securities exchange or in the over-the-counter markets. The value of the securities in which the Funds invest, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of the securities in which the Funds invest may affect the value of the Funds' shares. An investment in the Funds' shares at any point in time may be worth less than the original investment, even after taking into account the reinvestment of the Funds' distributions.

**Sector Risk** — To the extent the Funds focus in one or more sectors, market or economic factors impacting those sectors could have a significant effect on the value of the Funds' investments and could make the Funds' performance more volatile. For example, the values of companies in the Information Technology sector are particularly vulnerable to economic downturns, short product cycles and aggressive pricing, market competition and changes in government regulation.

**Concentration Risk** — The Global Natural Resources Fund (herein, the "Fund") may concentrate its investments in a particular industry, as the term "concentration" is used in the 1940 Act. Concentrating investments in the Natural Resources sector increases the risk of loss because the stocks of many or all of the companies in the sector may decline in value due to developments adversely affecting the sector. In addition, investors may buy or sell substantial amounts of the Fund's shares in response to factors affecting or expected to affect the natural resources sector, resulting in extreme inflows and outflows of cash into and out of the Fund. Such inflows or outflows might affect management of the Fund adversely to the extent they cause the Fund's cash position or cash requirements to exceed normal levels.

**Geopolitical/Natural Disaster Risk** — An outbreak of disease called COVID-19 has spread internationally. The transmission of COVID-19 and efforts to contain its spread have resulted in international, national and local border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and consumer activity, significant challenges in healthcare service preparation and delivery, quarantines and general concern and uncertainty. These negative impacts have caused significant volatility and declines in global financial markets, which have

caused losses for Fund investors during and subsequent to period end. The impact of the COVID-19 pandemic may last for an extended period of time, and could result in a substantial economic downturn or recession. Public health crises may exacerbate other pre-existing political, social, economic, market and financial risks. The extent of the impact to the financial performance of the Funds' investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted.

## 6. Borrowing and Interfund Lending:

### Line of Credit:

For the year ended December 31, 2020, the Victory Funds Complex and the USAA Mutual Funds Complex (another series of mutual funds managed by the Adviser) participated in a short-term demand note "Line of Credit" agreement with Citibank. The Line of Credit agreement with Citibank was renewed on June 29, 2020, with a termination date of June 28, 2021. Under the agreement with Citibank, the Victory Funds Complex and USAA Mutual Funds Complex, combined, may borrow up to \$600 million, of which \$300 million is committed and \$300 million is uncommitted. \$40 million of the Line of Credit is reserved for use by the Victory Floating Rate Fund (herein, the "Fund"), another series of the Victory Funds Complex, with that Fund paying the related commitment fees for that amount. The purpose of the agreement is to meet temporary or emergency cash needs. For the year ended December 31, 2020, Citibank received an annual commitment fee of 0.15% on \$300 million for providing the Line of Credit. Each fund in the Victory Funds Complex pays a pro-rata portion of the commitment fees plus any interest (one month LIBOR plus one percent) on amounts borrowed. Effective June 29, 2020, under an amended Line of Credit agreement, Citibank will also receive an annual upfront fee of 0.10% on the \$300 million committed line of credit. Each fund in the Victory Funds Complex will pay a pro-rata portion of the upfront fee. Interest charged to each Fund during the period, if applicable, is presented on the Statements of Operations under Line of credit fees.

The Funds did not utilize the Line of Credit during the year ended December 31, 2020.

### Interfund Lending:

The Trust and Adviser rely on an exemptive order granted by the SEC in March 2017 (the "Order"), permitting the establishment and operation of an Interfund Lending Facility (the "Facility"). The Facility allows each Fund to directly lend and borrow money to or from any other Victory Fund, that is permitted to participate in the Facility, relying upon the Order at rates beneficial to both the borrowing and lending funds. Advances under the Facility are allowed for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities, and are subject to each fund's borrowing restrictions. The interfund loan rate is determined, as specified in the Order, by averaging the current repurchase agreement rate and the current bank loan rate. As a Borrower, interest charged to each Fund during the period, if applicable, is presented on the Statements of Operations under Interfund lending fees. As a Lender, interest earned by each Fund during the period, if applicable, is presented on the Statements of Operations under Interfund lending income.

The average borrowing and lending for the days outstanding and average interest rate for each Fund during the year ended December 31, 2020, were as follows:

		Amount Outstanding at December 31, 2020	Average Borrowing*	Days Borrowing Outstanding	Average Interest Rate*	Maximum Borrowing During the Period
	Borrower or Lender					
RS Investors Fund . . . . .	Borrower	\$—	\$1,916,000	2	1.76%	\$1,948,000

\* For the year ended December 31, 2020, based on the number of days borrowings were outstanding.

## 7. Federal Income Tax Information:

Dividends from net investment income, if any, are declared and paid annually for the Funds. Distributable net realized gains, if any, are declared and distributed at least annually from each Fund.

The amounts of dividends from net investment income and distributions from net realized gains (collectively, distributions to shareholders) are determined in accordance with federal income tax

regulations, which may differ from GAAP. To the extent these “book/tax” differences are permanent in nature (e.g., net operating loss and distribution reclassification), such amounts are reclassified within the components of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash sales) do not require reclassification. To the extent dividends and distributions exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital. Net investment losses incurred by a Fund may be reclassified as an offset to capital on the accompanying Statements of Assets and Liabilities.

As of December 31, 2020, on the Statements of Assets and Liabilities, as a result of permanent book-to-tax differences, reclassification adjustments were as follows:

	Total Accumulated Earnings/(Loss)	Capital
RS Partners Fund	\$180,360	\$(180,360)
RS Value Fund	(9,599)	9,599
RS Large Cap Alpha Fund	2,667	(2,667)
RS Investors Fund	32,579	(32,579)

The tax character of distributions paid during the tax years ended, as noted below, were as follows (total distributions paid may differ from the Statements of Changes in Net Assets because, for tax purposes, dividends are recognized when actually paid):

Year Ended December 31, 2020			
Distributions Paid From:			
	Ordinary Income	Net Long-Term Capital Gains	Total Distributions Paid
RS Partners Fund	\$ 11	\$ 4,980,318	\$ 4,980,329
RS Value Fund	5	5,814,174	5,814,179
RS Large Cap Alpha Fund	1,415,308	16,338,738	17,754,046
RS Investors Fund	—	86,177	86,177
RS Global Natural Resources Fund	325,268	—	325,268

Year Ended December 31, 2019			
Distributions paid from			
	Ordinary Income	Net Long-Term Capital Gains	Total Distributions Paid
RS Partners Fund	\$2,917,501	\$38,853,618	\$41,771,119
RS Value Fund	3,088,482	24,249,837	27,338,319
RS Large Cap Alpha Fund	3,767,453	17,315,428	21,082,881
RS Investors Fund	—	1,871,145	1,871,145
Global Natural Resources Fund	294,977	—	294,977

As of December 31, 2020, the components of accumulated earnings/(loss) on a tax basis were as follows:

	Undistributed Ordinary Income	Accumulated Earnings	Accumulated Capital and Other Losses	Unrealized Appreciation (Depreciation)*	Total Accumulated Earnings (Loss)
RS Partners Fund	\$1,236,517	\$1,236,517	\$ (9,328,334)	\$ 73,496,036	\$ 65,404,219
RS Value Fund	698,365	698,365	(11,867,080)	53,082,204	41,913,489
RS Large Cap Alpha Fund	5,493,216	5,493,216	(577,913)	95,782,420	100,697,723
RS Investors Fund	—	—	(2,106,442)	5,778,932	3,672,490
RS Global Natural Resources Fund	86,746	86,746	(1,828,289,529)	(95,939,753)	(1,924,142,536)

\* The difference between the book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to tax deferral of losses on wash sales and partnership basis adjustments.

As of the tax year ended December 31, 2020, the following Funds had net capital loss carryforwards ("CLCFs") as summarized in the table below, which are not subject to expiration.

	Short-Term Amount	Long-Term Amount	Total
RS Partners Fund	\$ 9,328,334	\$ —	\$ 9,328,334
RS Value Fund	11,867,080	—	11,867,080
RS Large Cap Alpha Fund	577,913	—	577,913
RS Investors Fund	2,106,442	—	2,106,442
RS Global Natural Resources Fund	9,316,769	1,818,972,760	1,828,289,529

As of December 31, 2020, the cost basis for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation (depreciation) for investments and derivatives were as follows:

	Cost of Investments for Federal Tax Purposes	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
RS Partners Fund	\$271,716,198	\$ 81,536,774	\$ (8,040,791)	\$ 73,495,983
RS Value Fund	261,416,808	59,599,467	(6,517,263)	53,082,204
RS Large Cap Alpha Fund	379,375,961	105,257,738	(9,475,318)	95,782,420
RS Investors Fund	22,776,471	6,410,206	(631,283)	5,778,923
RS Global Natural Resources Fund	246,925,388	38,152,363	(134,092,443)	(95,940,080)

## 8. Capital Contribution from Prior Custodian:

During 2016, certain Funds received notification from their prior custodian, State Street Bank and Trust ("State Street"), concerning issues related to billing on certain categories of expenses during the approximately 16-year period from 1998 through October 31, 2014. The over-billing primarily related to categories of expenses that involved an allocation of general costs among multiple clients.

State Street paid the refunded amounts during January 2017. Based on billing information received during 2016 from State Street and an analysis of any expense limitation agreements that were in place during the period of the activities in question, including the application of any recoupment provisions in such agreements, the Adviser received a portion of the refund.

The portion of the refund retained by the Funds was accounted for as a capital contribution and is reflected on the Financial Highlights as Capital Contribution from Prior Custodian, Net.

## 9. Fund Ownership:

Ownership of more than 25% of the voting securities of a fund creates presumptions of control of the fund, under section 2(a)(9) of the 1940 Act. As of December 31, 2020, the shareholders listed below held more than 25% of the shares outstanding of the Funds and may be deemed to control those Funds. Shareholders of record may hold Fund shares for the benefit of their customers.

	Shareholder	Percent
RS Partners Fund	National Financial Services, LLC	30.8%
Global Natural Resources Fund	Charles Schwab & Co., Inc.	36.4%

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Victory Portfolios

### Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of portfolio investments, of Victory RS Partners Fund, Victory RS Value Fund, Victory RS Large Cap Alpha Fund, Victory RS Investors Fund and Victory Global Natural Resources Fund (the "Funds"), each a series of Victory Portfolios, as of December 31, 2020, the related statements of operations for the year then ended and the statements of changes in net assets, the related notes, and the financial highlights for each of the two years in the period then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2020, the results of their operations for the year then ended and the changes in their net assets and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Funds' financial highlights for the years ended December 31, 2018 and prior, were audited by other auditors whose report dated February 26, 2019, expressed an unqualified opinion on those financial highlights.

### Basis for Opinion

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor of one or more of the investment companies advised by Victory Capital Management, Inc. since 2015.



COHEN & COMPANY, LTD.  
Cleveland, Ohio  
February 23, 2021



(Unaudited)

## Trustee and Officer Information

### Board of Trustees:

Overall responsibility for management of the Trust rests with the Board. The Trust is managed by the Board in accordance with the laws of the State of Delaware. There are currently nine Trustees, eight of whom are not “interested persons” of the Trust within the meaning of that term under the 1940 Act (“Independent Trustees”) and one of whom is an “interested person” of the Trust within the meaning of that term under the 1940 Act (“Interested Trustee”). The Trustees, in turn, elect the officers of the Trust to actively supervise its day-to-day operations.

The following tables list the Trustees, their date of birth, position with the Trust, commencement of service, principal occupations during the past five years and any directorships of other investment companies or companies whose securities are registered under the Securities Exchange Act of 1934, as amended, or who file reports under that Act. Each Trustee oversees 42 portfolios in the Trust, 8 portfolios in Victory Variable Insurance Funds, and 25 portfolios in Victory Portfolios II, each a registered investment company that, together with the Trust, comprise the Victory Fund Complex. David C. Brown is a Trustee of USAA Mutual Funds Trust and oversees 46 portfolios of the USAA Mutual Funds Trust. Each Trustee’s address is c/o Victory Portfolios, 4900 Tiedeman Road, 4th Floor, Brooklyn, Ohio 44144. Each Trustee has an indefinite term.

Name and Date of Birth	Position Held with the Trust	Date Commenced Service	Principal Occupation During Past 5 Years	Other Directorships Held During Past 5 Years
<i>Independent Trustees.</i>				
David Brooks Adcock, Born October 1951	Trustee	May 2005	Consultant (since 2006).	Chair and Trustee, Turner Funds (December 2016-December 2017).
Nigel D. T. Andrews, Born April 1947	Vice Chair and Trustee	August 2002	Retired.	Director, TCG BDC II, Inc. (since 2017); Director, TCG BDC I, Inc. (formerly Carlyle GMS Finance, Inc.) (since 2012).
E. Lee Beard,* Born August 1951	Trustee	May 2005	Retired (since 2015)	None.
Dennis M. Bushe, Born January 1944	Trustee	July 2016	Retired.	Trustee, RS Investment Trust and RS Variable Products Trust (November 2011-July 2016).

				(Unaudited)
Name and Date of Birth	Position Held with the Trust	Date Commenced Service	Principal Occupation During Past 5 Years	Other Directorships Held During Past 5 Years
John L. Kelly, Born April 1953	Trustee	February 2015	Partner, McCarvill Capital Partners (September 2016-September 2017); Advisor, (January 2016-April 2016) and Managing Partner (August 2014-January 2016) Endgate Commodities LLC.	Director, Caledonia Mining Corporation (since May 2012).
David L. Meyer,* Born April 1957	Trustee	December 2008	Retired.	None.
Gloria S. Nelund, Born May 1961	Trustee	July 2016	Chair, CEO and Co-Founder of TriLinc Global, LLC, an investment firm.	TriLinc Global Impact Fund, LLC (since 2012); Trustee, RS Investment Trust and RS Variable Products Trust (November 2007-July 2016).
Leigh A. Wilson, Born December 1944	Chair and Trustee	November 1994	Private Investor.	Chair (since 2013), Caledonia Mining Corporation.
<b><i>Interested Trustee.</i></b>				
David C. Brown,** Born May 1972	Trustee	May 2008	Chairman and Chief Executive Officer (since 2013), the Adviser; Chairman and Chief Executive Officer (since 2013), Victory Capital Holdings, Inc.	Trustee, USAA Mutual Funds Trust.

\* The Board has designated Ms. Beard and Mr. Meyer as its Audit Committee Financial Experts.

\*\* Mr. Brown is an "Interested Person" by reason of his relationship with the Adviser.

The Statement of Additional Information includes additional information about the Trustees of the Trust and is available, without charge, by calling 800-539-3863.

*(Unaudited)***Officers:**

The officers of the Trust, their date of birth, commencement of service and their principal occupations during the past five years, are detailed in the following table. Each officer serves until the earlier of his or her resignation, removal, retirement, death, or the election of a successor. The mailing address of each officer of the Trust is 4900 Tiedeman Road, 4th Floor, Brooklyn, Ohio 44144. The officers of the Trust receive no compensation directly from the Trust for performing the duties of their offices.

Name and Date of Birth	Position with the Trust	Date Commenced Service	Principal Occupation During Past 5 Years
Christopher K. Dyer, Born February 1962	President	February 2006*	Director of Mutual Fund Administration, the Adviser.
Scott A. Stahorsky, Born July 1969	Vice President	December 2014	Manager, Fund Administration, the Adviser.
Erin G. Wagner, Born February 1974	Secretary	December 2014	Associate General Counsel, the Adviser (since 2013).
Allan Shaer, Born March 1965	Treasurer	May 2017	Senior Vice President, Financial Administration, Citi Fund Services Ohio, Inc. (since 2016); Vice President, Mutual Fund Administration, JP Morgan Chase (2011-2016).
Christopher A. Ponte, Born March 1984	Assistant Treasurer	December 2017	Manager, Fund Administration, the Adviser (since 2017); Senior Analyst, Fund Administration, the Adviser (prior to 2017); Chief Financial Officer, Victory Capital Services, Inc. (since 2018).
Colin Kinney, Born October 1973	Chief Compliance Officer	July 2017	Chief Compliance Officer (since 2013) and Chief Risk Officer (2009-2017), the Adviser.
Chuck Booth, Born April 1960	Anti-Money Laundering Compliance Officer and Identity Theft Officer	May 2015	Director, Regulatory Administration and CCO Support Services, Citi Fund Services Ohio, Inc.
Jay G. Baris, Born January 1954	Assistant Secretary	December 1997	Partner, Sidley Austin LLP (since April 2020); Partner, Shearman & Sterling LLP (January 2018-April 2020); Partner, Morrison & Foerster LLP (2011-January 2018).

\* On December 3, 2014, Mr. Dyer resigned as Secretary of the Trust and accepted the position of President.

## Proxy Voting and Portfolio Holdings Information

### Proxy Voting:

Information regarding the policies and procedures each Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 800-539-3863. The information is also included in the Funds' Statement of Additional Information, which is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Information relating to how the Funds voted proxies relating to portfolio securities held during the most recent twelve months ended December 31 is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Availability of Schedules of Portfolio Investments:

The Trust files a complete list of Schedules of Portfolio Investments with the SEC for the first and third quarter of each fiscal year on Form N-PORT. Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

## Expense Examples

As a shareholder of the Funds, you may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases; and (2) ongoing costs, including management fees, distribution and service (12b-1) fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2020, through December 31, 2020.

The **Actual Expense** figures in the table below provide information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Actual Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

The **Hypothetical Expense** figures in the table below provide information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 7/1/20	Actual Ending Account Value 12/31/20	Hypothetical Ending Account Value 12/31/20	Actual Expenses Paid During Period 7/1/20- 12/31/20	Hypothetical Expenses Paid During Period 7/1/20- 12/31/20*	Annualized Expense Ratio During Period 7/1/20- 12/31/20
<b>RS Partners Fund</b>						
Class A Shares . . . . .	\$1,000.00	\$1,338.20	\$1,017.85	\$ 8.52	\$ 7.35	1.45%
Class R Shares . . . . .	1,000.00	1,335.50	1,016.04	10.63	9.17	1.81%
Class Y Shares . . . . .	1,000.00	1,340.10	1,019.51	6.59	5.69	1.12%
Member Class** . . . . .	1,000.00	1,252.20	1,018.85	2.27	6.34	1.25%

# Supplemental Information — continued

Victory Portfolios

December 31, 2020

	Beginning Account Value 7/1/20	Actual Ending Account Value 12/31/20	Hypothetical Ending Account Value 12/31/20	Actual Expenses Paid During Period 7/1/20- 12/31/20	Hypothetical Expenses Paid During Period 7/1/20- 12/31/20*	Annualized Expense Ratio During Period 7/1/20- 12/31/20
<b>RS Value Fund</b>						
Class A Shares . . . . .	\$1,000.00	\$1,259.70	\$1,018.60	\$ 7.38	\$ 6.60	1.30%
Class C Shares . . . . .	1,000.00	1,254.80	1,014.73	11.73	10.48	2.07%
Class R Shares . . . . .	1,000.00	1,257.50	1,016.64	9.59	8.57	1.69%
Class Y Shares . . . . .	1,000.00	1,261.30	1,019.81	6.03	5.38	1.06%
<b>RS Large Cap Alpha Fund</b>						
Class A Shares . . . . .	1,000.00	1,224.90	1,020.66	4.98	4.52	0.89%
Class C Shares . . . . .	1,000.00	1,220.10	1,016.64	9.43	8.57	1.69%
Class R Shares . . . . .	1,000.00	1,222.70	1,018.80	7.04	6.39	1.26%
Class Y Shares . . . . .	1,000.00	1,226.10	1,021.72	3.81	3.46	0.68%
<b>RS Investors Fund</b>						
Class A Shares . . . . .	1,000.00	1,243.20	1,018.45	7.50	6.75	1.33%
Class C Shares . . . . .	1,000.00	1,237.30	1,014.73	11.64	10.48	2.07%
Class R Shares . . . . .	1,000.00	1,239.20	1,015.33	10.98	9.88	1.95%
Class Y Shares . . . . .	1,000.00	1,244.60	1,019.86	5.92	5.33	1.05%
<b>Global Natural Resources Fund</b>						
Class A Shares . . . . .	1,000.00	1,599.70	1,017.70	9.67	7.51	1.48%
Class C Shares . . . . .	1,000.00	1,591.90	1,013.67	14.85	11.54	2.28%
Class R Shares . . . . .	1,000.00	1,596.20	1,015.79	12.14	9.42	1.86%
Class Y Shares . . . . .	1,000.00	1,602.20	1,019.36	7.52	5.84	1.15%

\* Expenses are equal to the average account value multiplied by the Fund's annualized expense ratio multiplied by 184/366 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

\*\* Actual Expenses Paid are equal to the average account value multiplied by the Fund's annualized expense ratio multiplied by 59/366 to reflect the stub period from commencement of operations November 3, 2020, through December 31, 2020.

**Additional Federal Income Tax Information**

For the year ended December 31, 2020, the following Funds paid qualified dividend income for the purposes of reduced individual federal income tax rates of:

	<u>Percent</u>
RS Large Cap Alpha Fund .....	100%
RS Global Natural Resources Fund .....	100%

Dividends qualified for corporate dividends received deductions of:

	<u>Percent</u>
RS Large Cap Alpha Fund .....	100%
RS Global Natural Resources Fund .....	100%

For the year ended December 31, 2020, the following Funds designated long-term capital gain distributions:

	<u>Amount</u>
RS Partners Fund .....	\$ 4,980,318
RS Value Fund .....	5,814,174
RS Large Cap Alpha Fund .....	16,338,738
RS Investors Fund .....	86,177

The following Funds intend to elect to pass through to shareholders the income tax credit for taxes paid to foreign countries. Foreign source income and foreign tax expense per outstanding share on December 31, 2020, were as follows:

	<u>Foreign Source Income</u>	<u>Foreign Tax Expense</u>
RS Global Natural Resources Fund .....	\$0.10	\$0.01

**Considerations of the Board in Continuing the Investment Advisory Agreements**

The Board approved the advisory agreement with the Adviser, on behalf of each of the Funds (the “Advisory Agreement”), and the sub-advisory agreement between SailingStone Capital Partners LLC (the “Sub-Adviser”) and the Adviser, on behalf of the Global Natural Resources Fund (the “Sub-Advisory Agreement” and together with the Advisory Agreement, the “Agreements”), at a meeting, which was called for that purpose, on December 2, 2020. The Board also considered information relating to the Funds and the Agreements provided throughout the year and, more specifically, at a meeting on October 27, 2020 called for the purpose of reviewing the Agreements. In considering whether to approve the Agreement, the Board requested, and the Adviser and Sub-Adviser provided, information that the Board believed to be reasonably necessary to reach its conclusions.

The Board, including the Independent Trustees, evaluated this information along with other information obtained throughout the year and was advised by legal counsel to the Funds, which also serves as independent legal counsel to the Independent Trustees. In addition, the Independent Trustees considered a past review of their overall process for conducting the annual review of the Funds’ advisory arrangements by an independent consultant retained through their counsel.

The Board took into consideration regular reports from the Adviser and Sub-Adviser throughout the COVID-19 pandemic public health crisis concerning how the ongoing pandemic has affected market volatility, investment risk and the implementation and effectiveness of business continuity plans. These reports also had confirmed that the pandemic had no material impact on the Adviser’s (or the Sub-Adviser’s) operations.

The Board considered each Fund’s advisory fee, expense ratio and investment performance as significant factors in determining whether the Agreements should be continued. The Board reviewed numbers factors with respect to each Fund, including the services to be provided by the Sub-Adviser. In considering whether the compensation paid to the Adviser was fair and reasonable, the Board also evaluated, among other things, the following factors:

- The requirements of the Funds for the services provided by the Adviser;
- The nature, quality and extent of the services provided and expected to be provided;
- The performance of the Funds as compared to comparable funds;
- The fees payable for the services and whether the fee arrangements provided for economies of scale that would benefit Fund shareholders as the Funds grow;
- Whether the fee would be sufficient to enable the Adviser to attract and retain experienced personnel and continue to provide quality services to the Funds;
- The fees paid by other clients of the Adviser whose accounts are managed in a similar investment style and any differences in the services provided to the other clients compared to those provided to the Funds;
- The total expenses of each Fund;
- Management’s commitment to operating the Funds at competitive expense levels;
- The profitability of the Adviser (as reflected by comparing fees earned against an estimate of the Adviser’s costs) with respect to the Adviser’s relationship with the Funds;
- Research and other service benefits received by the Adviser obtained through payment of client commissions for securities transactions;
- Other benefits received by the Adviser, and its affiliates, including revenues paid to the Adviser, or its affiliates, by the Funds for administration and fund accounting services, and distribution;
- The capabilities and financial condition of the Adviser;
- Current economic and industry trends; and
- The historical relationship between each Fund and the Adviser.

In considering whether the compensation paid to the Sub-Adviser was fair and reasonable, the Board also evaluated, among other things, the following factors:

- The requirements of the Fund for the services provided by the Sub-Adviser;
- The nature, quality and extent of the services provided and expected to be provided;

- The fees payable for the services;
- Representations by the Adviser that the sub-advisory fee for the Fund is within the range of fees agreed to in the market for similar services;
- Whether the fee would be sufficient to enable the Sub-Adviser to attract and retain experienced personnel and continue to provide quality services to the Fund;
- Management's commitment to operating the Fund at competitive expense levels;
- Research and other service benefits received by the Sub-Adviser obtained through payment of client commissions for securities transactions;
- Other benefits received by the Sub-Adviser as a result of its sub-advisory relationship with the Fund;
- The capabilities and financial condition of the Sub-Adviser;
- The nature, quality and extent of the oversight and compliance services provided by the Adviser;
- The historical relationship between the predecessor fund and the Sub-Adviser; and
- Current economic and industry trends.

The Board reviewed each Fund's current management fee, comprised of the advisory fee plus the administrative services fee paid to the Adviser, in the context of the Adviser's profitability with respect to each Fund individually. In addition, the Board compared each Fund's gross management fee and total operating expense ratio on a net and gross basis with the median gross management fee and median expense ratio of a universe of comparable mutual funds compiled by an independent consultant, and a peer group of funds with similar investment strategies selected by that independent consultant from the universe of comparable funds. The Board reviewed the factors and methodology used by the independent consultant in the selection of each Fund's peer group, including the independent consultant's selection of a broad universe of funds, the more specific universe of comparable funds, and peer groups of funds with comparable investment strategies and asset levels, among other factors. The Board also reviewed any changes to the independent consultant's methodology as compared to the prior year, including those resulting from the Adviser's input, if any. With respect to certain Funds, the Board also reviewed fees and other information related to the Adviser's management of similarly managed institutional or private accounts, and the differences in the services provided to the other accounts. The Board noted that none of the advisory fee arrangements for the Funds included breakpoints, which are generally viewed as a method by which an investment adviser shares any economies of scale with a fund as a fund grows. The Board also considered the Adviser's commitment to limit expenses as discussed in more detail below, and would consider breakpoints at a future time if a Fund's assets were to grow significantly.

The Board also reviewed the compliance and administrative services provided to the Funds by the Adviser and its affiliates, including the Adviser's oversight of the Funds' day-to-day operations and oversight of Fund accounting, assistance in meeting legal and regulatory requirements, and other services necessary for the operation of the Funds and the Trust.

With respect to the Global Natural Resources Fund, the Board also considered information concerning the fee paid to the Sub-Adviser under the Sub-Advisory Agreement. The Board considered the relative roles and responsibilities of the Adviser and Sub-Adviser with respect to the Fund and noted that, among other things: (1) the sub-advisory fees for the Fund are paid by the Adviser and, therefore, are not a direct expense of the Fund; and (2) the Adviser supervises the Sub-Adviser. The Board also considered the Adviser's representation that the fees to be paid to the Sub-Adviser are within the range of sub-advisory fees paid to other sub-advisers for similar services. The Board reviewed fees and other information related to the Sub-Adviser's management of similarly managed institutional or private accounts, and the differences in the services provided to the other accounts. The Board recognized that because the sub-advisory fees are paid by the Adviser, any arrangement by the Sub-Adviser to reduce its fee as the Fund grows would have no direct impact on the Fund or its shareholders.

The Board found that the gross annual management fee paid by each Fund was within the range of management fees paid by each Fund's respective peer group. The Board also found that each Fund's Class A net annual expense ratio, taking into account any shareholder servicing or distribution fees, was reasonable as compared with each Fund's respective peer group. The Board considered the Adviser's contractual agreement with each



*(Unaudited)*

Fund to waive its fees and reimburse expenses of certain classes for a specified period of time, as described in the Fund's prospectus.

The Board reviewed each Fund's performance over one-, three-, five- and ten-year periods (as applicable) against the performance of the Fund's selected peer group and benchmark index. The Board recognized that the performance of the Fund and the peer group funds are net of expenses, while the performance of the benchmark index reflects gross returns.

The Board reviewed various other specific factors with respect to each Fund, as described below. In their deliberations, the Trustees did not rank the importance of any particular information or factor considered and each Trustee may have attributed different weights to various factors.

#### **RS Partners Fund**

The Board compared the Fund's Class A performance for the one-, three-, five- and ten-year periods ended June 30, 2020, to that of the median performance of the Fund's peer group and benchmark index for the same periods and considered the fact that the Fund outperformed the benchmark index for the three- and five-year periods, underperformed the benchmark index for the one- and ten-year periods, and underperformed the peer group median for all of the periods reviewed. The Board brought the Fund's underperformance to management's attention and discussed with the Adviser any steps that had been or could be taken to enhance performance in the future.

Having considered, among other things: (1) the Fund's management fee compared to comparable mutual funds; (2) the Fund's total expense ratio compared to comparable mutual funds; (3) that the Adviser's willingness to limit the expenses of certain classes for a period of time would provide stability to the Fund's expenses for those share classes during that period; and (4) the Fund's performance during the periods reviewed, the Board concluded that the Agreement continued to be in the best interests of the Fund's shareholders.

#### **RS Value Fund**

The Board compared the Fund's Class A performance for the one-, three-, five- and ten-year periods ended June 30, 2020, to that of the median performance of the Fund's peer group and benchmark index for the same periods and considered the fact that the Fund underperformed the benchmark index for all of the periods reviewed, with the exception of the three-year period, and underperformed the peer group median for all of the periods reviewed. The Board brought the Fund's underperformance to management's attention and discussed with the Adviser any steps that had been or could be taken to enhance performance in the future.

Having considered, among other things: (1) the Fund's management fee compared to comparable mutual funds; (2) the Fund's total expense ratio compared to comparable mutual funds; (3) that the Adviser's willingness to limit the expenses of certain classes for a period of time would provide stability to the Fund's expenses for those share classes during that period; and (4) the Fund's performance during the periods reviewed, the Board concluded that the Agreement continued to be in the best interests of the Fund's shareholders.

#### **RS Large Cap Alpha Fund**

The Board compared the Fund's Class A performance for the one-, three-, five- and ten-year periods ended June 30, 2020, to that of the median performance of the Fund's peer group and benchmark index for the same periods and considered the fact that the Fund underperformed the benchmark index for all of the periods reviewed, with the exception of the three-year period, and underperformed the peer group median for all of the periods reviewed. The Board brought the Fund's underperformance to management's attention and discussed with the Adviser any steps that had been or could be taken to enhance performance in the future.

Having considered, among other things: (1) the Fund's management fee compared to comparable mutual funds; (2) the Fund's total expense ratio compared to comparable mutual fund; (3) that the Adviser's willingness to limit the expenses of certain classes for a period of time would provide stability to the Fund's expenses for those share classes during that period; and (4) the Fund's performance during the periods reviewed, the Board concluded that the Agreement continued to be in the best interests of the Fund's shareholders.

**RS Investors Fund**

The Board compared the Fund's Class A performance for the one-, three-, five- and ten-year periods ended June 30, 2020, to that of the median performance of the Fund's peer group and benchmark index for the same periods and considered the fact that the Fund underperformed the benchmark index for all of the periods reviewed, and underperformed the peer group median for all of the periods reviewed, with the exception of the ten-year period. The Board brought the Fund's underperformance to management's attention and discussed with the Adviser any steps that had been or could be taken to enhance performance in the future.

Having considered, among other things: (1) the Fund's management fee compared to comparable mutual funds; (2) the Fund's total expense ratio compared to comparable mutual fund; (3) that the Adviser's willingness to limit the expenses of certain classes for a period of time would provide stability to the Fund's expenses for those share classes during that period; and (4) the Fund's performance during the periods reviewed, the Board concluded that the Agreement continued to be in the best interests of the Fund's shareholders.

**Global Natural Resources Fund**

The Board compared the Fund's Class A performance for the one-, three-, five- and ten-year periods ended June 30, 2020, to that of the median performance of the Fund's peer group and benchmark index for the same periods and considered the fact that the Fund underperformed both the benchmark index and the peer group median for all of the periods reviewed. The Board noted its numerous discussions with the Adviser and Sub-Adviser throughout the year, and in prior years, about, among other things, the Fund's investment strategy, the Adviser's and Sub-Adviser's implementation of the strategy, and related market conditions, together with relevant fee and expense considerations. The Board also discussed the steps taken by the Adviser and Sub-Adviser to enhance performance in the future, and the Board's continued monitoring of the Fund's performance.

Having considered, among other things: (1) the Fund's management fee compared to comparable mutual funds; (2) the Fund's total expense ratio compared to comparable mutual funds; (3) that the Adviser's willingness to limit the expenses of certain classes for a period of time would provide stability to the Fund's expenses for those share classes during that period; and (4) the Fund's performance during the periods reviewed, the Board concluded that the Agreement continued to be in the best interests of the Fund's shareholders.

**Conclusion**

Based on its review of the information requested and provided, and following extended discussions, the Board determined that the Agreement, on behalf of the Funds discussed above, was consistent with the best interests of each Fund and its shareholders, and the Board unanimously approved the Agreement, on behalf of each Fund, for an additional annual period on the basis of the foregoing review and discussions and the following considerations, among others:

- The fairness and reasonableness of the investment advisory fee payable to the Adviser under the Agreement in light of the investment advisory services provided, the costs of these services, the profitability of the Adviser's relationship with the Fund and the comparability of the fee paid to the fees paid by other investment companies;
- The nature, quality and extent of the investment advisory services provided by the Adviser;
- The Adviser's entrepreneurial commitment to the management of the Funds and the creation of a broad-based family of funds, which could entail a substantial commitment of the Adviser's resources to the successful operation of the Funds;
- The Adviser's representations regarding its staffing and capabilities to manage the Funds, including the retention of personnel with relevant portfolio management experience;
- The Adviser's efforts to enhance investment results by, among other things, developing quality portfolio management teams; and
- The overall high quality of the personnel, operations, financial condition, investment management capabilities, methodologies and performance of the Adviser.

Based on its review of the information requested and provided, and following extended discussions, the Board concluded, among other things, that the Sub-Advisory Agreement, with respect to the Global Natural Resources

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Fund, was consistent with the best interests of the Fund and its shareholders and unanimously approved the Sub-Advisory Agreement (including the fees to be charged for services thereunder), on the basis of the foregoing review and discussions and the following considerations, among others:

- The fairness and reasonableness of the investment advisory fee payable to the Sub-Adviser under the Sub-Advisory Agreement in light of the investment advisory services provided, the costs of these services and the estimated profitability of the Sub-Adviser's relationship with the Fund;
- The nature, quality and extent of the investment advisory services provided by the portfolio management team of the Sub-Adviser, which have resulted in the Fund achieving its stated investment objective;
- The Sub-Adviser's representations regarding its staffing and capabilities to manage the Fund; and
- The overall high quality of the personnel, operations, financial condition, investment management capabilities, methodologies and performance of the Sub-Adviser.

# Privacy Policy

## Protecting the Privacy of Information

The Trust respects your right to privacy. We also know that you expect us to conduct and process your business in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. This is the information we collect from you on applications or other forms, and from the transactions you make with us or third parties. It may include your name, address, social security number, account transactions and balances, and information about investment goals and risk tolerance.

We do not disclose any information about you or about former customers to anyone except as permitted or required by law. Specifically, we may disclose the information we collect to companies that perform services on our behalf, such as the transfer agent that processes shareholder accounts and printers and mailers that assist us in the distribution of investor materials. We may also disclose this information to companies that perform marketing services on our behalf. This allows us to continue to offer you Victory investment products and services that meet your investing needs, and to effect transactions that you request or authorize. These companies will use this information only in connection with the services for which we hired them. They are not permitted to use or share this information for any other purpose.

To protect your personal information internally, we permit access only by authorized employees and maintain physical, electronic and procedural safeguards to guard your personal information.\*

- \* You may have received communications regarding information about privacy policies from other financial institutions which gave you the opportunity to “opt-out” of certain information sharing with companies which are not affiliated with that financial institution. The Trust does not share information with other companies for purposes of marketing solicitations for products other than the Trust. Therefore, the Trust does not provide opt-out options to their shareholders.



Victory Funds  
P.O. Box 182593  
Columbus, Ohio 43218-2593



Visit our website at:  
[www.vcm.com](http://www.vcm.com)

Call Victory at:  
800-539-FUND (800-539-3863)  
800-235-8396 for Member Class