

Third Quarter 2021
Earnings Presentation
November 5, 2021

Forward Looking Statements

This presentation may contain “forward-looking” statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, competitive position and potential organic and inorganic growth opportunities. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “could,” “seek,” “estimate,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our beliefs and assumptions only as of the date of this presentation. Please review our press release and SEC filings for additional information on risk factors. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Victory Capital uses non-GAAP financial measures referred to as Adjusted EBITDA and Adjusted Net Income to measure the operating profitability of the business. These measures eliminate the impact of one-time acquisition, restructuring and integration costs and demonstrate the ongoing operating earnings metrics of the business. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to assess the operating performance of the Company. Reconciliations of non-GAAP metrics to their closest comparable GAAP metrics can be found in the Appendix that accompanies this presentation.

Agenda

Launch of Alternative Investments Platform

WestEnd Advisors Acquisition

Quarterly Business Overview

Investment Performance

Third-Quarter 2021 Financial Results

Appendix

Launch of Alternative Investments Platform

Launch of Alternative Investments Platform

NEC ACQUISITION

- Acquired 100% of New Energy Capital Partners (NEC)
- Alternative Investment manager with ~$1 billion of AUM
- All assets invested in clean and renewable energy sector
- Substantial economic alignment through revenue sharing and earnout structure
- Victory Capital's operations and distribution platform to provide scale and resources

WHY ALTERNATIVE INVESTMENTS

- Broadens and diversifies product offering into private markets
- Potential to deepen existing client relationships
- Adds new organic and inorganic growth levers to our business
- Attractive fee rates, margins, and length of capital commitment
- Leverages the foundation of the existing operating and distribution platforms
- Value added through our capability to create new product vehicles to broaden distribution for alternative managers
- Products are in demand and not easily disintermediated by non-active strategies

GUIDING PRINCIPLES

- Investment process autonomy
- Investment team, process, and brand will remain unchanged
- Investment strategies that are value added to client portfolios
- Long-term investment performance excellence
- Structured transaction to ensure alignment of incentives
- Significant organic growth potential

WestEnd Advisors Acquisition

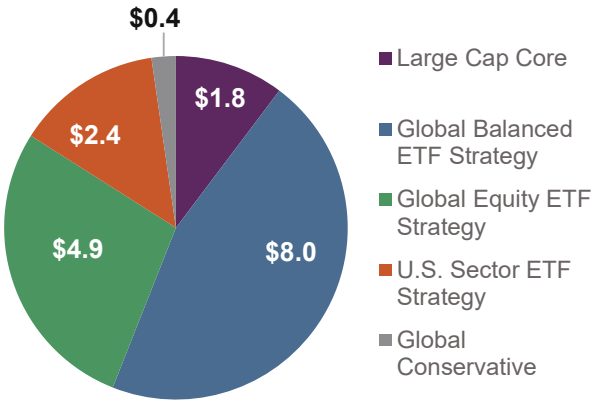
WestEnd Advisors – A Compelling Opportunity

WESTEND Advisors

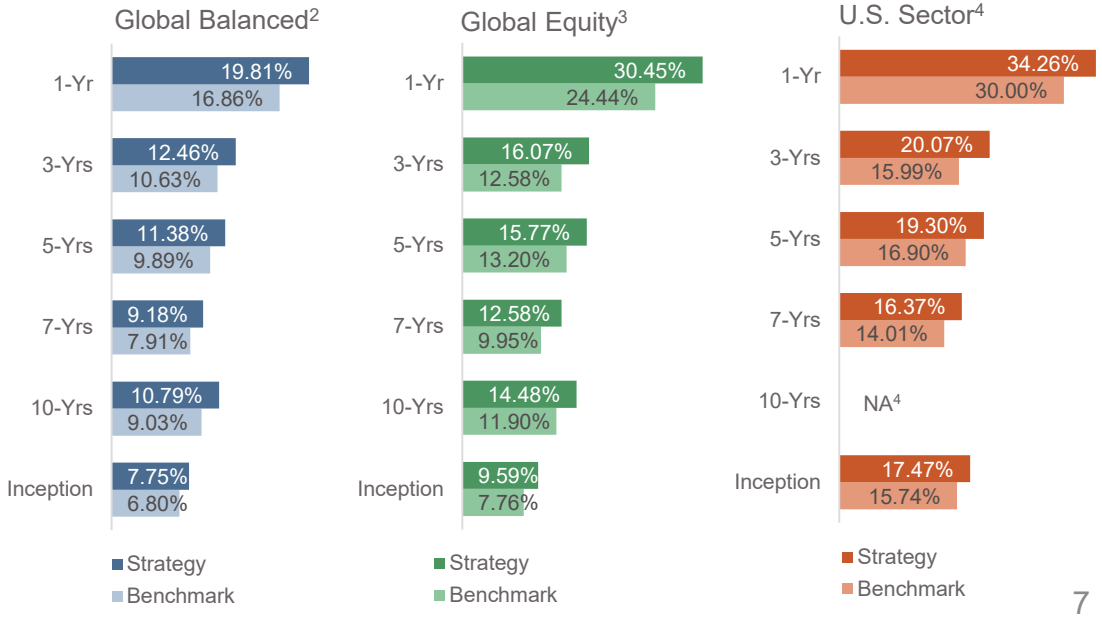
ACQUISITION

- Fast growing ETF Model Strategist with approximately $18 billion in assets
- Acquiring 100%; will become our 12th Investment Franchise
- Broadens and diversifies product offerings and adds new investment platform
- Excellent long-term investment performance
- Leading third-party ETF model strategist in growing UMA / SMA market sector
- Envestnet's Asset Manager and Strategist of the Year in 2021
- Transaction structured with Victory Capital's guiding principles
- Victory Capital's operations and distribution platforms add resources and distribution reach

ASSETS BY STRATEGY (IN $B)[1]

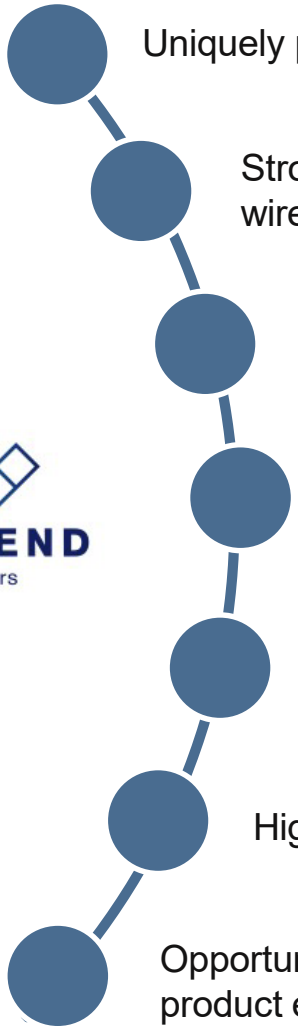


OUTPERFORMANCE (NET OF FEES) VS. BENCHMARKS



(1) *Assets as of 9/30/21.*
(2) *Net returns vs. 65% MSCI ACWI Net + 35% Bloomberg Barclays GC as of 9/30/21. Inception date 12/31/04.*
(3) *Net returns vs. MSCI ACWI as of 9/30/21. Inception date 12/31/04.*
(4) *Net returns vs. S&P 500 as of 9/30/21. Inception date 12/31/12.*

WestEnd Advisors – A Compelling Opportunity



- Uniquely positioned to monetize powerful industry trends
- Strong existing distribution position with recommended shelf space at top-tier wirehouses, regional broker-dealers, banks and TAMPs
- Track record of delivering alpha via dynamic sector allocation and tax-efficient implementation
- Seamless turnkey model solution, prioritizing accessibility and transparency for financial advisors
- Proven team with significant industry expertise
- High growth, scalable revenue model and operating leverage
- Opportunity to unlock meaningful incremental upside from distribution channel and product evolution

Powerful Industry Tailwinds

SECULAR TRENDS

Growth in ETFs as Cost-Effective Investment Delivery Vehicle

- ✓ Fast growing third-party model ETF strategist
- ✓ Unique and differentiated offerings vs. manufacturer and home office models

Increasing Financial Intermediary Adoption of Model Portfolios

- ✓ Turnkey, core model solution for financial advisors looking to scale
- ✓ Prominent shelf space at top-tier distribution channels

Advisor Shift to Fee-Based Revenue Models

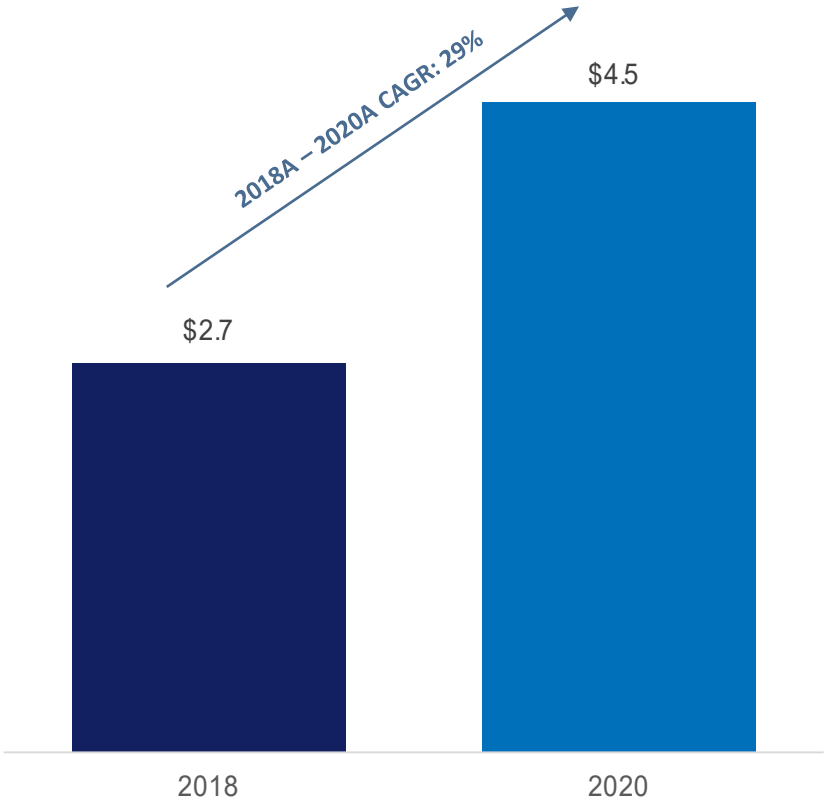
- ✓ Simple pricing model and low account minimums

Powerful Industry Tailwinds

WestEnd Advisors is positioned to benefit from increased adoption of model portfolios and ETFs, as advisors shift to fee-based accounts and cost-effective portfolio implementation.

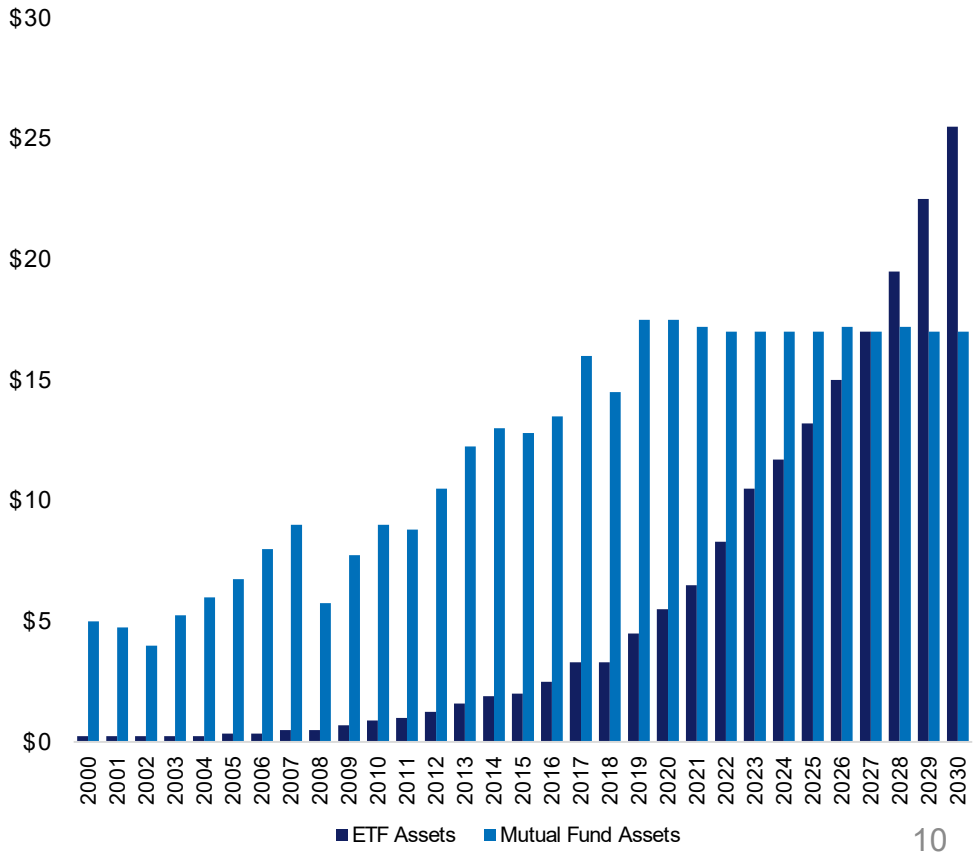
MODEL PORTFOLIO ASSET GROWTH[1]

($ in trillions)



ETF ASSET GROWTH[2]

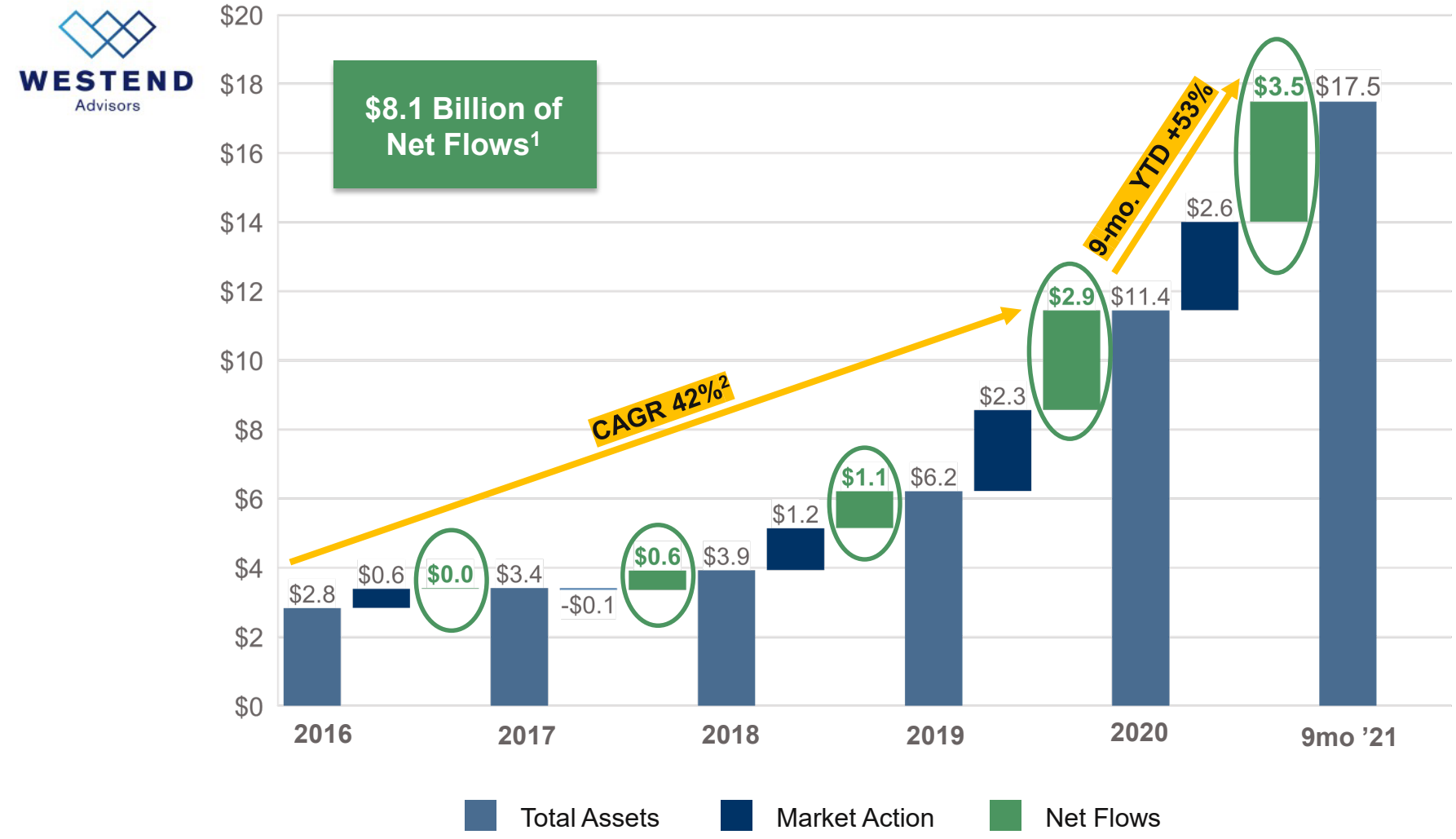
($ in trillions)



[1]*Source: Broadridge estimates.*

[2]*Source: ICI, ETF Trends, ETF Database.*

WestEnd Asset Growth ($ in Billions)



[1]*Net flows from December 31, 2016 through September 30, 2021*
[2]*Asset growth for four-year period from December 31, 2016, through December 31, 2020.*
Assets include assets in Unified Managed Account (UMA) programs for which model portfolios are provided, without discretion to effect trades, sometimes referred to as Assets Under Advisement (AUA).

Financial Structure and Accretion

ATTRACTIVE TRANSACTION STRUCTURE

- $480 million cash payment at closing
- Potential for earnout paid over four years, based on significant revenue growth
- Financed with incremental term loan B facility
    - Cost of debt expected to be comparable to current interest rate
- Estimated pro forma accretion of adjusted net income with tax benefit in 2022 of approximately 9%*
- No significant integration costs

**Assumes transaction closes on or before 12/31/2021*

Quarterly Business Overview

Quarterly Business Overview

AUM & FLOWS

- At September 30, 2021, total AUM of $160Bn
  - Down 1% from June 30, 2021
  - Up 21% year-over-year
- Second consecutive quarter of positive net long-term flows
- YTD long-term gross flows of $22.4Bn
  - Up 28% from same 2020 period

Q3 OPERATING & FINANCIAL HIGHLIGHTS

- Revenue up 2% from Q2 2021
  - Up 20% from Q3 2020
- $1.25 Adjusted Net Income with tax benefit per diluted share
  - Up 6% from Q2 2021
  - Up 25% from Q3 2020
- Adjusted EBITDA margin of 50.8%
  - 5th consecutive quarter >50%
- Ended quarter with $581MM of net debt
  - Reduced leverage ratio to 1.3x
- Quarterly cash dividend increased 13% from $0.15 to $0.17 per share

Quarterly Business Overview

DIRECT INVESTOR BUSINESS

- Averaging >5K new account registrations per month since acquisition
- USAA® 529 Education Savings Plan
  - Positive net flows YTD and since acquiring
- Continue to see improvement in Direct Investor net flow profile
- Mobile app for Direct Investor business rolled out in Q3
- Buildout of Digital Marketplace progressing

NEW PRODUCT DEVELOPMENT

- Launched Victory Hashdex Crypto Nasdaq Index Fund
- Launched three new ESG-focused active ETFs in October
  - VictoryShares THB Mid Cap ESG ETF (MDCP)
  - VictoryShares ESG Core Plus Bond ETF (UBND)
  - VictoryShares ESG Corporate Bond ETF (UCRD)
- Began sub-advising two new ETFs

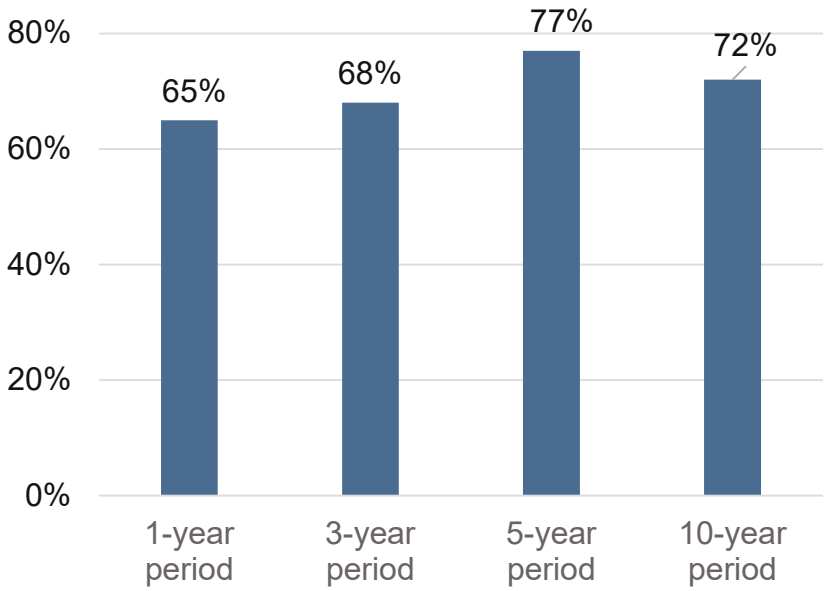
Investment Performance

Commitment to Long-Term Investment Performance

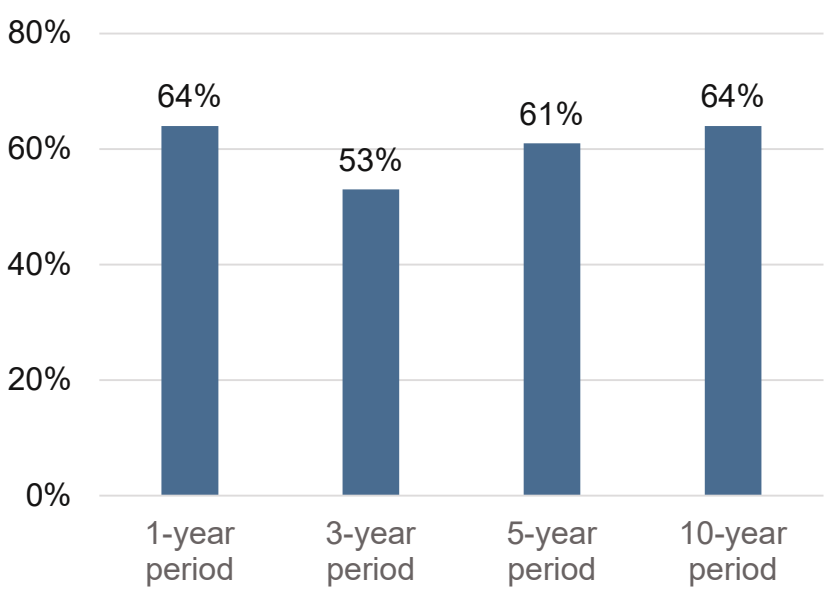
45 *Total Mutual Funds and ETFs with 4- or 5-Star overall ratings*

65% *Total Mutual Funds and ETFs AUM with 4- or 5-Star overall ratings*

% of AUM outperforming benchmarks



% of strategies outperforming benchmarks



All figures as of September 30, 2021. Past performance is no guarantee of future results.

Third-Quarter 2021 Financial Results

Third-Quarter 2021 Financial Results

THIRD QUARTER FINANCIAL RESULTS

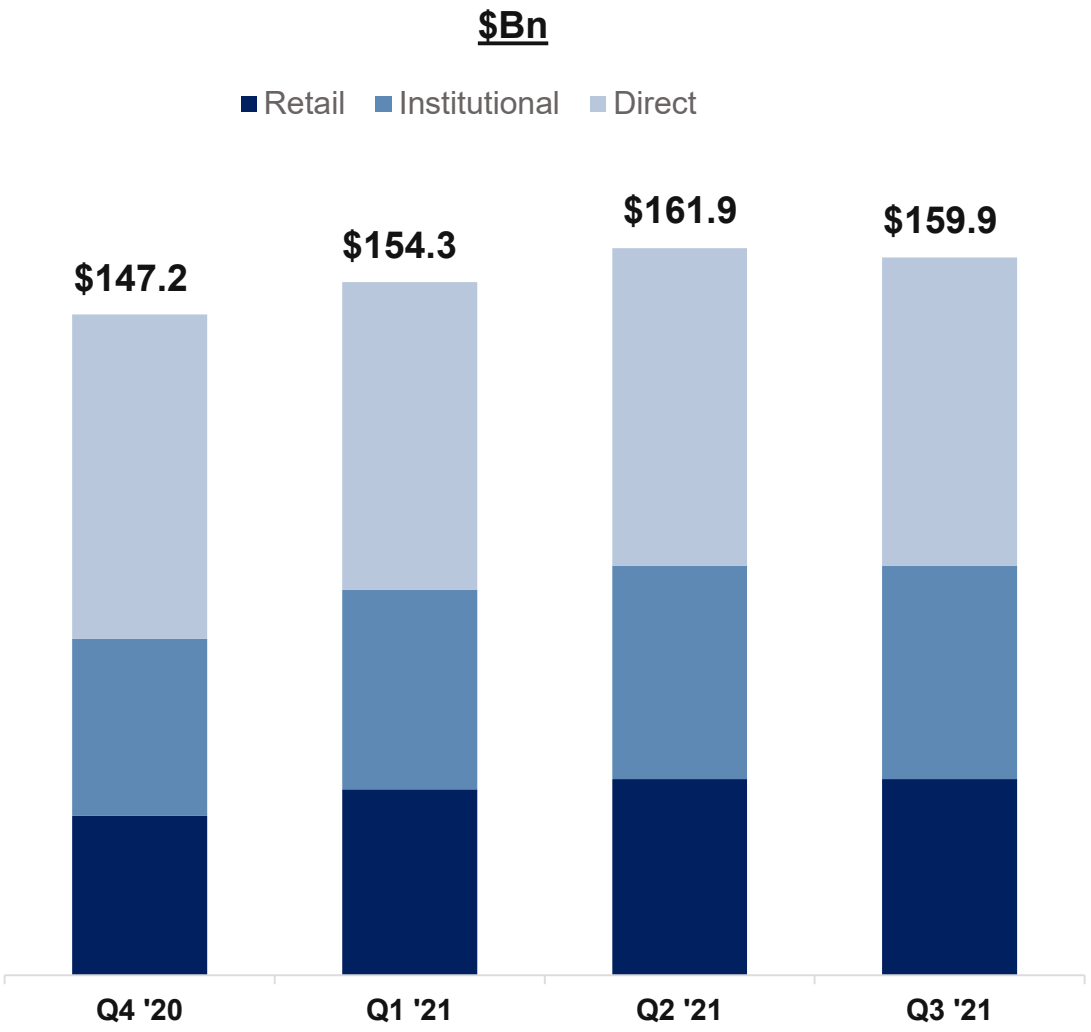
- $226.3MM revenue
  - Up 2% from Q2 2021
  - Up 20% from Q3 2020
- Adjusted EBITDA of $115.0MM
- GAAP Net Income of $74.2MM
- GAAP Net Income Per Diluted Share of $1.00
  - Up 8% from Q2 2021
  - Up 32% from Q3 2020
- Adjusted Net Income with tax benefit of $92.6MM
  - $1.25 per diluted share

CAPITAL MANAGEMENT

- Repaid $35MM in debt during third quarter
  - $142MM paid down in 2021 nine-month period
- Returned $19MM to shareholders
- Balance sheet prepared for growth

Assets Under Management

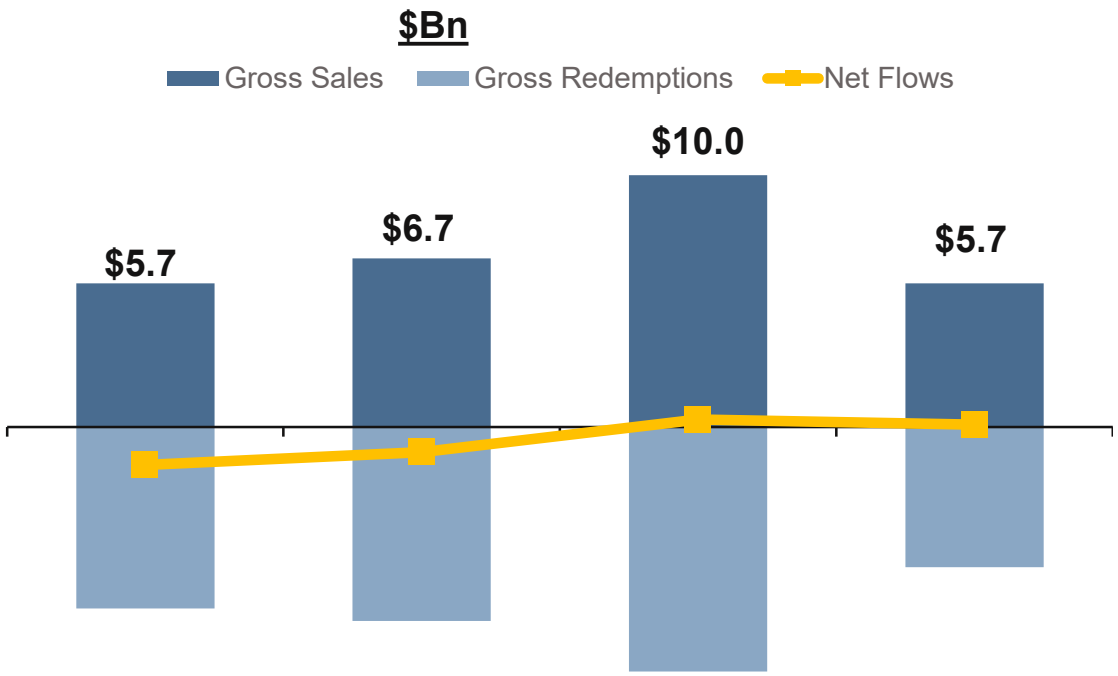
- Total AUM of $159.9Bn at Sep 30, 2021
  - Down 1% from June 30, 2021
  - Up 21% from Sep 30, 2020
- Diversified distribution
  - Retail
  - Institutional
  - Direct



Assets under management are as of the end of the respective periods shown.

Long-Term Asset Flows

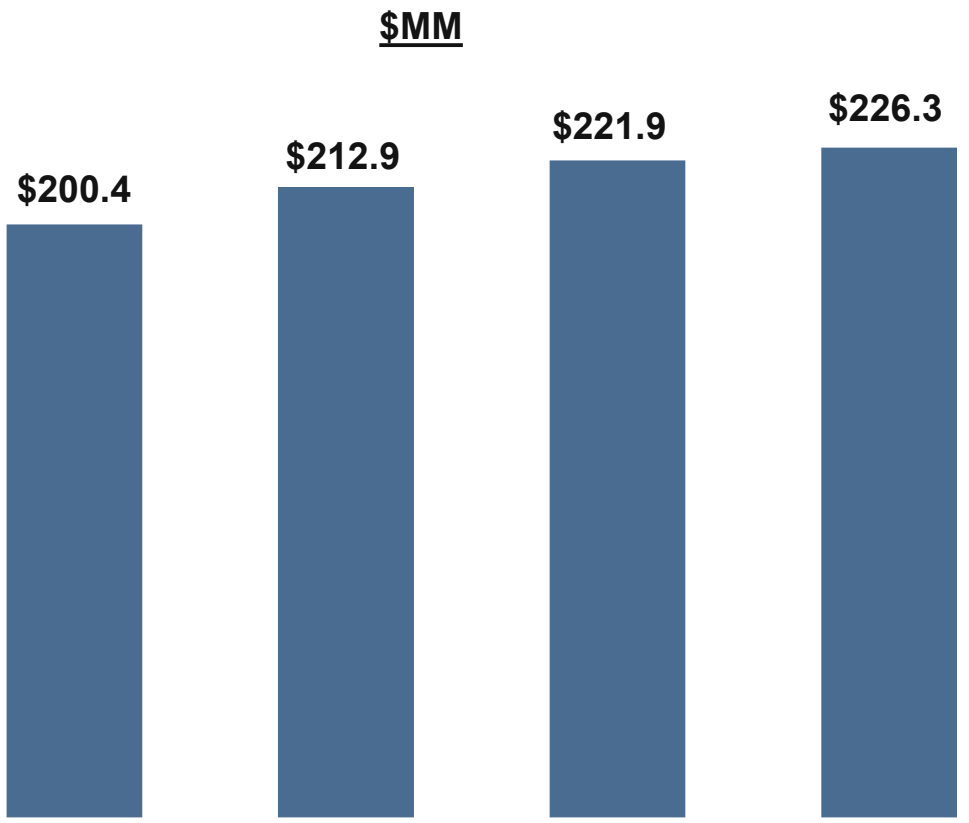
- Second quarter of positive long-term net flows
- Gross LT sales of $5.7Bn
  - 12% increase in Y-o-Y Sales
- Multiple franchises/strategies and products generated long-term net inflows in Q3 including:
  - RS Global
  - RS Growth
  - Trivalent
  - Sophus
  - INCORE
  - THB
  - VictoryShares ETFs



Operating Metrics	Q4 '20	Q1 '21	Q2 '21	Q3 '21
Net long-term flows ($MM)	-$1,466	-$983	+$302	+$131

Revenues

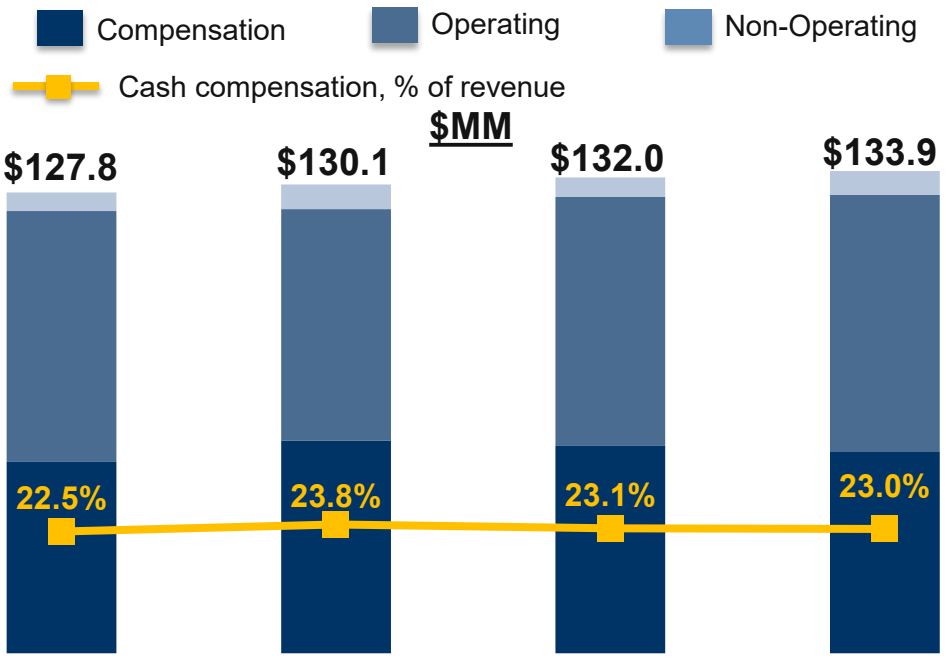
- Q3 2021 revenue of $226MM
  - Up 2% vs Q2 2021
  - Up 20% vs Q3 2020



Operating Metrics	Q4 '20	Q1 '21	Q2 '21	Q3 '21
Average AUM ($Bn)	$139.6	$151.1	$158.5	**$162.5**
Average Fee Rate (bps), as reported	57.1	57.2	56.2	**55.3**

Expenses

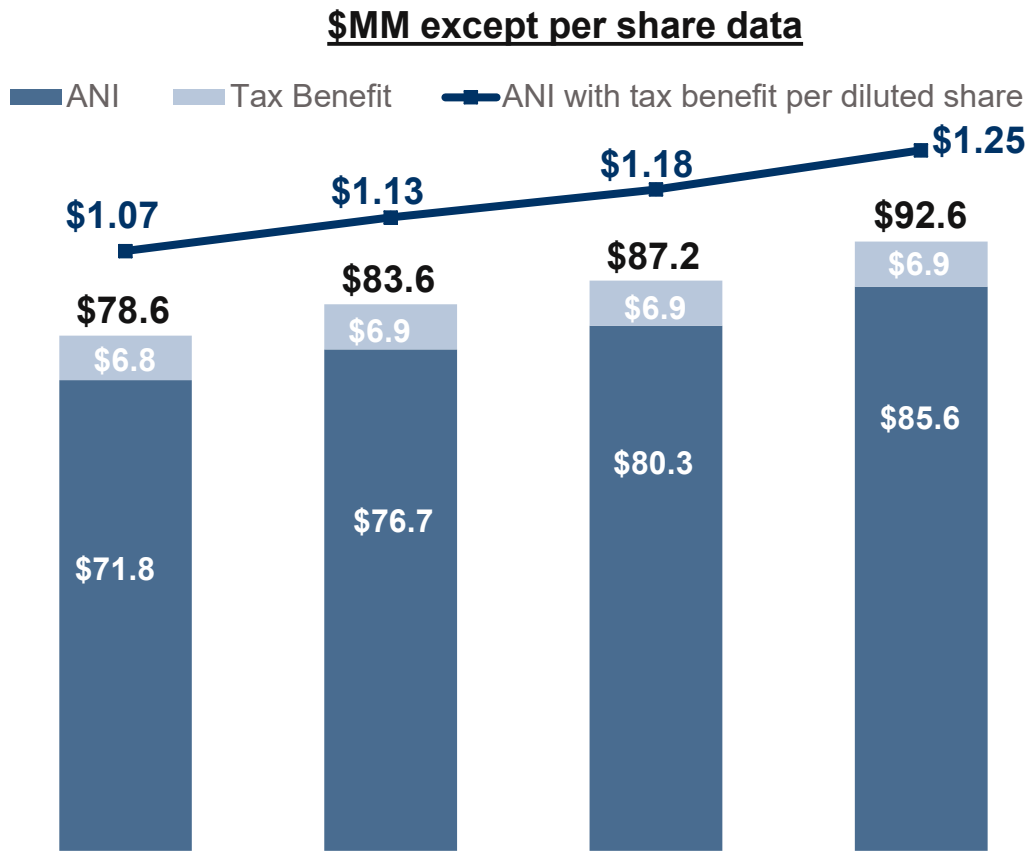
- Q3 2021 total expenses increased $1.9MM (1%) vs Q2 2021
  - Driven by $1.9MM increase in acquisition, restructuring and integration expense
  - Lower reported compensation expenses partially offset by higher non-personnel expenses
  - Cash compensation ratio steady



($MM)	Q4 '20	Q1 '21	Q2 '21	Q3 '21
Cash Compensation, payroll taxes	$ 45.0	$ 50.7	$ 51.3	**$ 52.1**
Equity Compensation (Non-cash)	4.6	5.5	4.3	**4.0**
Deferred Compensation MTM (Non-cash)	3.5	2.7	1.8	**(0.3)**
Total Compensation Expenses	53.1	59.0	57.5	**55.8**
Acquisition, Restructuring, and Integration Expenses	12.5	4.4	6.5	**8.4**
All Other Non-Personnel Operating Expenses	57.1	59.8	62.6	**63.0**
Total Operating Expenses	122.7	123.2	126.6	**127.3**
Unrealized Gain/(Loss) on Deferred Comp Plan - Offset	*3.5*	*2.7*	*1.8*	***(0.3)***
Total Non-Operating Exp. (inclusive of Def Comp G/L)	5.1	6.9	5.4	**6.6**
Total Expenses	$ 127.8	$ 130.1	$ 132.0	**$ 133.9**

Non-GAAP Metrics

- Q3 2021 margin is inclusive of investments in:
  - Technology
  - Distribution
  - Data
  - Direct Investor Business

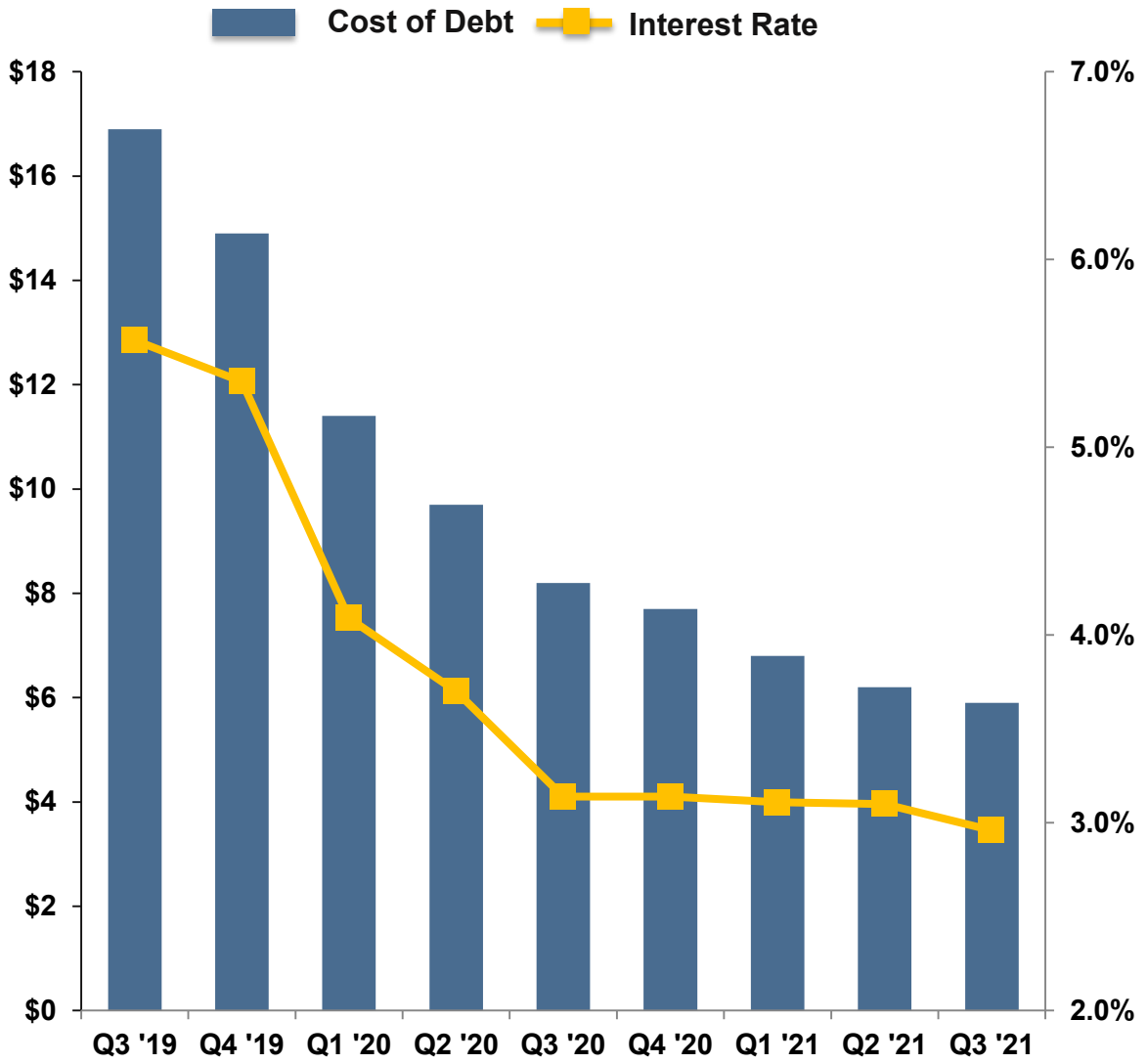


Operating Metrics	Q4 '20	Q1 '21	Q2 '21	**Q3 '21**
Adjusted EBITDA ($MM)	$103.8	$106.8	$112.2	**$115.0**
Adjusted EBITDA margin	51.8%	50.2%	50.6%	**50.8%**

Adjusted measures are non-GAAP financial measures. Reconciliations and explanations of these non-GAAP financial measures are provided at the end of this presentation.

Balance Sheet Prepared for Growth

- Cost of debt reduced by 65% from $16.9MM in Q3 2019 to $5.9MM in Q3 2021
- Debt reduced by 41% ($454MM) to-date following the loan origination
  - $142MM paid down YTD
- Interest rate reduced 261 bps from 5.57% to 2.96%
  - Two re-pricings
  - Lower LIBOR
- Covenant free
- Prepaid through maturity in 2026
- Coverage ratio of 16x in Q3 2021
- $100MM undrawn revolver

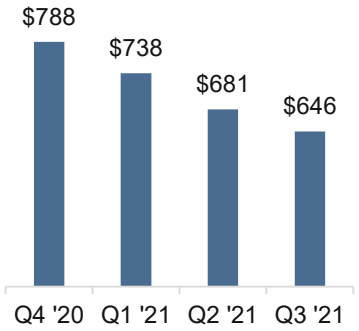


[1]Net Debt / Run Rate Adjusted EBITDA ratio was 1.3x at 9/30/2021, from Annualized Adjusted EBITDA of $460MM, and net debt of $581MM from $646MM in debt, less $65MM in cash.

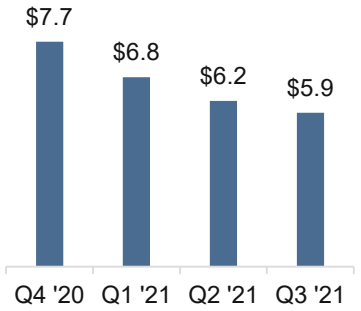
Capital Management

Selected Balance Sheet Items ($MM)	9/30/2021
Cash / Cash Equivalents	$65
Debt	$646
Stockholders' Equity	$868
Diluted Shares Outstanding (MM)	74.1
Net Debt / Adjusted EBITDA[1]	1.3x

Debt ($MM)



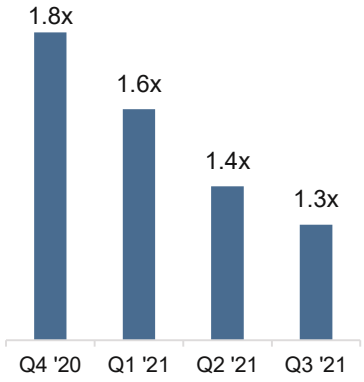
Interest Expense and Other Financing Costs ($MM)



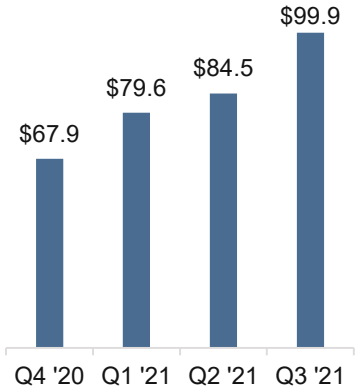
Q3 2021 Highlights

- Reduced debt by $35MM
- Leverage ratio down to 1.3x
- Returned $19.0MM to shareholders
  - ➢ Repurchased 189K shares
- Increased quarterly cash dividend 13%

Leverage Ratio[1]



GAAP Operating Cash Flow ($MM)



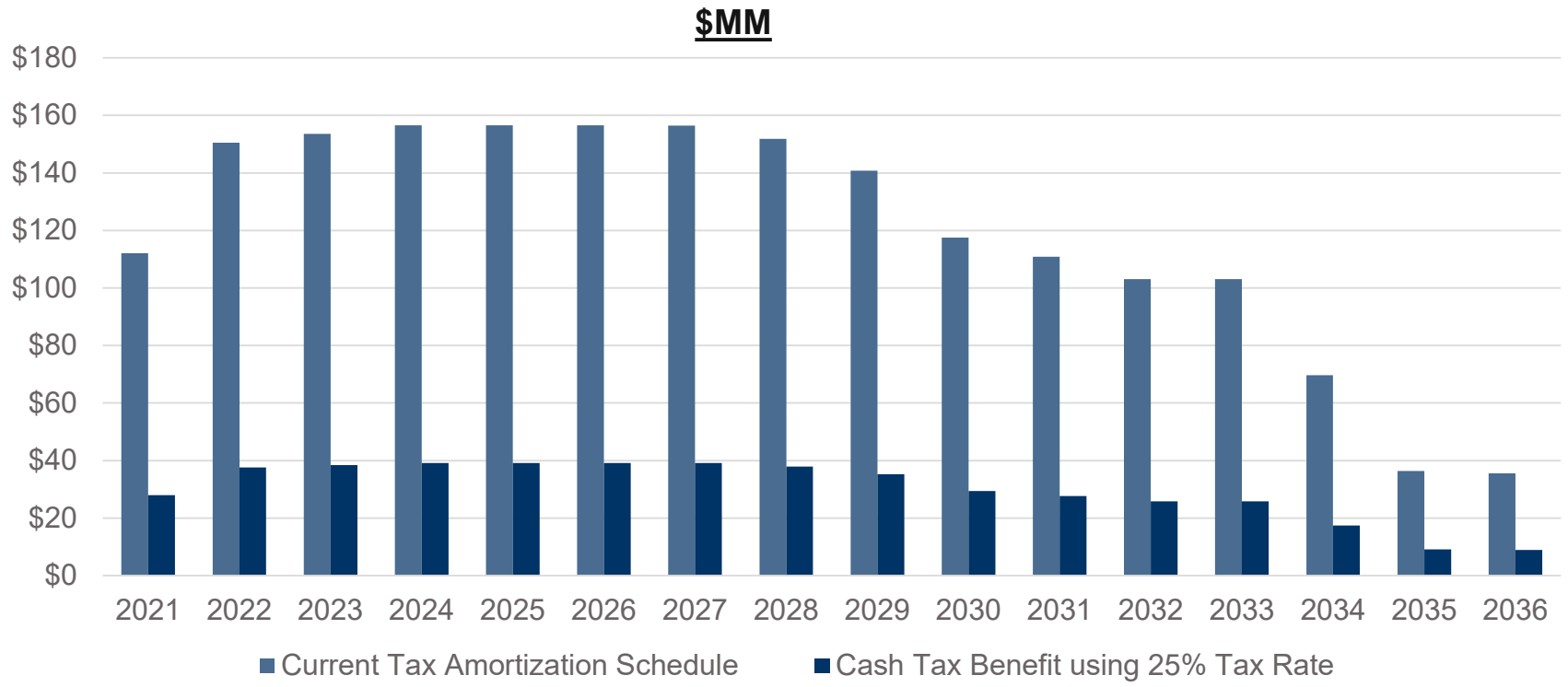
[1] Net Debt / Run Rate Adjusted EBITDA ratio was 1.3x at 9/30/2021, from Annualized Adjusted EBITDA of $460MM, and net debt of $581MM from $646MM in debt, less $65MM in cash.

Appendix

Ongoing and Future Cash-Tax Benefits*

Section 338(h)(10) Election

- Stepped up cost basis of acquired indefinite lived intangible assets is deductible for corporate income tax purposes over 15 years
  - $1.9 billion in total future tax amortization
  - **$478MM** in future cash tax savings, assuming 25% tax rate
  - **NPV $300MM, conservatively discounted at 7%, or >$4.25 per share**



*Assumes WestEnd Advisors acquisition closes prior to Dec. 31, 2021

Notes and Disclosures

Information Regarding Non-GAAP Financial Measures

Victory Capital uses non-GAAP financial measures referred to as Adjusted EBITDA and Adjusted Net Income to measure the operating profitability of the Company. These measures eliminate the impact of one-time acquisition, restructuring and integration costs and demonstrate the ongoing operating earnings metrics of the Company. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to assess the operating performance of the Company. Due to rounding, numbers presented in the following tables may not add up to precisely the totals provided.

Adjusted EBITDA

Adjustments made to GAAP Net Income to calculate Adjusted EBITDA, as applicable, are:

- Adding back income tax expense;
- Adding back interest paid on debt and other financing costs net of interest income;
- Adding back depreciation on property and equipment;
- Adding back other business taxes;
- Adding back amortization expense on acquisition-related intangible assets;
- Adding back stock-based compensation expense associated with equity awards issued from pools created in connection with the management-led buyout and various acquisitions and as a result of equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions, including restructuring costs;
- Adding back debt issuance costs; and
- Adjusting for earnings/losses on equity method investments.

Information Regarding Non-GAAP Financial Measures (cont.)

Adjusted Net Income

Adjustments made to GAAP Net Income to calculate Adjusted Net Income, as applicable, are:

- Adding back other business taxes;
- Adding back amortization expense on acquisition-related intangible assets;
- Adding back stock-based compensation expense associated with equity awards issued from pools created in connection with the management-led buyout and various acquisitions and as a result of any equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions, including restructuring costs;
- Adding back debt issuance costs; and
- Subtracting an estimate of income tax expense applied to the sum of the adjustments above.

Tax Benefit of Goodwill and Acquired Intangible Assets

Due to Victory Capital's acquisitive nature, tax deductions allowed on acquired intangible assets and goodwill provide it with additional significant supplemental economic benefit. The tax benefit of goodwill and intangible assets represent the tax benefits associated with deductions allowed for intangible assets and goodwill generated from prior acquisitions in which the Company received a step-up in basis for tax purposes. Acquired intangible assets and goodwill may be amortized for tax purposes, generally over a 15-year period. The tax benefit from amortization on these assets is included to show the full economic benefit of deductions for all acquired intangible assets with a step-up in tax basis.

Consolidated Reconciliations of Adjusted EBITDA

	For the three months ended,				
	(in thousands)				
	9/30/2020	**12/31/2020**	**3/31/2021**	**6/30/2021**	**9/30/2021**
GAAP Net income	**$ 55,741**	**$ 54,895**	**$ 65,202**	**$ 69,270**	**$ 74,175**
GAAP Income tax expense	(17,027)	(17,681)	(17,662)	(20,629)	(18,181)
GAAP income before taxes	**72,768**	**72,576**	**82,864**	**89,899**	**92,356**
Interest expense	7,497	7,432	7,310	6,086	5,561
Depreciation	814	1,107	1,246	1,524	1,693
Other business taxes	256	265	374	524	376
GAAP amortization of acquisition-related intangibles	3,122	3,122	3,138	3,171	2,684
Stock-based compensation	2,806	3,774	4,636	3,124	2,851
Acquisition, restructuring and exit costs	6,996	13,904	4,389	6,544	8,425
Debt issuance costs	1,386	1,459	2,793	1,304	960
Earnings/losses from equity method investments	-	193	92	65	70
Adjusted EBITDA	**$ 95,645**	**$ 103,832**	**$ 106,842**	**$ 112,241**	**$ 114,976**
Revenue (in thousands)	$ 188,656	$ 200,388	$ 212,949	$ 221,904	$ 226,290
Adjusted EBITDA Margin	**50.7%**	**51.8%**	**50.2%**	**50.6%**	**50.8%**

Consolidated Reconciliations of Adjusted Net Income

	For the three months ended,				
	(in thousands, except per-share data)				
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
GAAP Net Income	**$ 55,741**	**$ 54,895**	**$ 65,202**	**$ 69,270**	**$ 74,175**
Other business taxes	256	265	374	524	376
GAAP amortization of acquisition-related intangibles	3,122	3,122	3,138	3,171	2,684
Stock-based compensation	2,806	3,774	4,636	3,124	2,851
Acquisition, restructuring and exit costs	6,996	13,904	4,389	6,544	8,425
Debt issuance costs	1,386	1,459	2,793	1,304	960
Tax effect of above adjustments	(3,642)	(5,631)	(3,832)	(3,667)	(3,824)
Adjusted Net Income	66,665	71,788	76,700	80,270	85,647
Tax benefit of goodwill and acquired intangibles	6,745	6,774	6,918	6,918	6,918
Adjusted Net Income with Tax Benefit	**$ 73,410**	**$ 78,562**	**$ 83,618**	**$ 87,188**	**$ 92,565**
Weighted average shares outstanding – diluted	73,437	73,682	74,108	74,166	74,053
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 1.00**	**$ 1.07**	**$ 1.13**	**$ 1.18**	**$ 1.25**

Detailed Reconciliation of Q3 '21 Adjusted Net Income

(in thousands, except per-share amounts)

	U.S. GAAP Basis	Adjustments: Other Business Taxes	Adjustments: GAAP Amortization of Acquisition-Related Intangibles	Adjustments: Stock-Based Compensation	Adjustments: Acquisition, Restructuring and Exit Costs	Adjustments: Debt Issuance Costs	Adjustments: Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 171,355						$ –	$ 171,355		
Fund administration and distribution fees	54,935						-	54,935		
Total revenue	**226,290**	**-**	**-**	**-**	**-**	**-**	**-**	**226,290**		
Expenses										
Personnel compensation and benefits (1)	55,837	-	-	(2,851)	-	-	(2,851)	52,986		
Distribution and other asset-based expenses (2)	44,859	-	-	-	-	-	-	44,859		
General and administrative (2)	13,795	(376)	-	-	-	13	(363)	13,432		
Depreciation and amortization (2)	4,377	-	(2,684)	-	-	-	(2,684)	1,693		
Change in value of consideration payable for acquisition of business (2)	2,400	-	-	-	(2,400)	-	(2,400)	-		
Acquisition-related costs (2)	6,007	-	-	-	(5,819)	-	(5,819)	-		
Restructuring and integration costs (2)	18	-	-	-	(206)	-	(206)	-		
Total operating expenses	**127,293**	**(376)**	**(2,684)**	**(2,851)**	**(8,425)**	**13**	**(14,323)**	**112,970**		
Income/(loss) from operations	**98,997**	**376**	**2,684**	**2,851**	**8,425**	**(13)**	**14,323**	**113,320**		
Other income (expense)										
Interest income and other income/(expense) (3)	(119)						-	(119)		
Interest expense and other financing costs (3)	(5,853)					553	553	(5,300)		
Loss on debt extinguishment (3)	(669)					420	420	(249)		
Total other income (expense), net	**(6,641)**	**–**	**–**	**–**	**–**	**973**	**973**	**(5,668)**		
Income/(loss) before income taxes	**92,356**	**376**	**2,684**	**2,851**	**8,425**	**960**	**15,296**	**107,652**		
Income tax (expense)/benefit	(18,181)	(94)	(671)	(713)	(2,106)	(240)	(3,824)	(22,005)	6,918	
Net income/(loss)	**$ 74,175**	**$ 282**	**$ 2,013**	**$ 2,138**	**$ 6,319**	**$ 720**	**$ 11,472**	**$ 85,647**	**+ $ 6,918**	**= $ 92,565**
Earnings per share—basic	$ 1.09							$ 1.26	$ 0.10	
Earnings per share—diluted	$ 1.00							**$ 1.16**	**+ $ 0.09**	**= $ 1.25**
Weighted average shares outstanding—basic	67,980							67,980	67,980	
Weighted average shares outstanding—diluted	74,053							74,053	74,053	
Memo: Expenses										
Personnel (1)	55,837							52,986		
Operating (2)	71,456							59,984		
Non-Operating (3)	6,641							5,668		

Detailed Reconciliation of Q2 '21 Adjusted Net Income

(in thousands, except per-share amounts)

	U.S. GAAP Basis	Adjustments: Other Business Taxes	Adjustments: GAAP Amortization of Acquisition-Related Intangibles	Adjustments: Stock-Based Compensation	Adjustments: Acquisition, Restructuring and Exit Costs	Adjustments: Debt Issuance Costs	Adjustments: Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 168,033						$ –	$ 168,033		
Fund administration and distribution fees	53,871						-	53,871		
Total revenue	**221,904**	**-**	**-**	**-**	**-**	**-**	**-**	**221,904**		
Expenses										
Personnel compensation and benefits (1)	57,462	-	-	(3,124)	-	-	(3,124)	54,338		
Distribution and other asset-based expenses (2)	44,223	-	-	-	-	-	-	44,223		
General and administrative (2)	13,713	(524)	-	-	-	-	(524)	13,189		
Depreciation and amortization (2)	4,694	-	(3,171)	-	-	-	(3,171)	1,523		
Change in value of consideration payable for acquisition of business (2)	5,700	-	-	-	(5,700)	-	(5,700)	-		
Acquisition-related costs (2)	422	-	-	-	(422)	-	(422)	-		
Restructuring and integration costs (2)	422	-	-	-	(422)	-	(422)	-		
Total operating expenses	**126,636**	**(524)**	**(3,171)**	**(3,124)**	**(6,544)**	**–**	**(13,363)**	**113,273**		
Income/(loss) from operations	**95,268**	**524**	**3,171**	**3,124**	**6,544**	**–**	**13,363**	**108,631**		
Other income (expense)										
Interest income and other income/(expense) (3)	1,932						-	1,932		
Interest expense and other financing costs (3)	(6,155)					585	585	(5,570)		
Loss on debt extinguishment (3)	(1,146)					719	719	(427)		
Total other income (expense), net	**(5,369)**	**–**	**–**	**–**	**–**	**1,304**	**1,304**	**(4,065)**		
Income/(loss) before income taxes	**89,899**	**524**	**3,171**	**3,124**	**6,544**	**1,304**	**14,667**	**104,566**		
Income tax (expense)/benefit	(20,629)	(131)	(793)	(781)	(1,636)	(326)	(3,667)	(24,296)	6,918	
Net income/(loss)	**$ 69,270**	**$ 393**	**$ 2,378**	**$ 2,343**	**$ 4,908**	**$ 978**	**$ 11,000**	**$ 80,270**	**+ $ 6,918**	**= $ 87,188**
Earnings per share—basic	$ 1.02							$ 1.18	$ 0.10	
Earnings per share—diluted	$ 0.93							**$ 1.08**	**+ $ 0.09**	**= $ 1.18**
Weighted average shares outstanding—basic	67,776							67,776	67,776	
Weighted average shares outstanding—diluted	74,166							74,166	74,166	
Memo: Expenses										
Personnel (1)	57,462							54,338		
Operating (2)	69,174							58,935		
Non-Operating (3)	5,369							4,065		

Detailed Reconciliation of Q1 '21 Adjusted Net Income

VictoryCapital®

(in thousands, except per-share amounts)		Adjustments								
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 160,284						$ –	$ 160,284		
Fund administration and distribution fees	52,665						-	52,665		
Total revenue	**212,949**	**-**	**-**	**-**	**-**	**-**	**-**	**212,949**		
Expenses										
Personnel compensation and benefits (1)	59,006			(4,636)			(4,636)	54,370		
Distribution and other asset-based expenses (2)	42,103						-	42,103		
General and administrative (2)	13,310	(374)				(386)	(760)	12,550		
Depreciation and amortization (2)	4,385		(3,138)				(3,138)	1,247		
Change in value of consideration payable for acquisition of business (2)	2,500				(2,500)		(2,500)	-		
Acquisition-related costs (2)	(164)				164		164	-		
Restructuring and integration costs (2)	2,053				(2,053)		(2,053)	-		
Total operating expenses	**123,193**	**(374)**	**(3,138)**	**(4,636)**	**(4,389)**	**(386)**	**(12,923)**	**110,270**		
Income/(loss) from operations	**89,756**	**374**	**3,138**	**4,636**	**4,389**	**386**	**12,923**	**102,679**		
Other income (expense)										
Interest income and other income/(expense) (3)	2,734						-	2,734		
Interest expense and other financing costs (3)	(6,845)					662	662	(6,183)		
Loss on debt extinguishment (3)	(2,781)					1,745	1,745	(1,036)		
Total other income (expense), net	**(6,892)**	**–**	**–**	**–**	**–**	**2,407**	**2,407**	**(4,485)**		
Income/(loss) before income taxes	**82,864**	**374**	**3,138**	**4,636**	**4,389**	**2,793**	**15,330**	**98,194**		
Income tax (expense)/benefit	(17,662)	(94)	(785)	(1,158)	(1,097)	(698)	(3,832)	(21,494)	6,918	
Net income/(loss)	**$ 65,202**	**$ 280**	**$ 2,353**	**$ 3,478**	**$ 3,292**	**$ 2,095**	**$ 11,498**	**$ 76,700**	**+ $ 6,918**	**= $ 83,618**
Earnings per share—basic	$ 0.96							$ 1.13	$ 0.10	
Earnings per share—diluted	$ 0.88							**$ 1.03**	**+ $ 0.09**	**= $ 1.13**
Weighted average shares outstanding—basic	67,761							67,761	67,761	
Weighted average shares outstanding—diluted	74,108							74,108	74,108	
Memo: Expenses										
Personnel (1)	59,006							54,370		
Operating (2)	64,187							55,900		
Non-Operating (3)	6,892							4,485		

Detailed Reconciliation of Q4 '20 Adjusted Net Income

	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 147,883	$ –	$ –	$ –	$ –	$ –	$ –	$ 147,883	$ –	
Fund administration and distribution fees	52,505	-	-	-	-	-	-	52,505	-	
Total revenue	**200,388**	**-**	**-**	**-**	**-**	**-**	**-**	**200,388**	**-**	
Expenses										
Personnel compensation and benefits (1)	53,107	-	-	(3,774)	-	-	(3,774)	49,333	-	
Distribution and other asset-based expenses (2)	40,074	-	-	-	-	-	-	40,074	-	
General and administrative (2)	12,845	(265)	-	-	(1,454)	-	(1,719)	11,126	-	
Depreciation and amortization (2)	4,229	-	(3,122)	-	-	-	(3,122)	1,107	-	
Change in value of consideration payable for acquisition of business (2)	9,500	-	-	-	(9,500)	-	(9,500)	-	-	
Acquisition-related costs (2)	52	-	-	-	(52)	-	(52)	-	-	
Restructuring and integration costs (2)	2,898	-	-	-	(2,898)	-	(2,898)	-	-	
Total operating expenses	**122,705**	**(265)**	**(3,122)**	**(3,774)**	**(13,904)**	**–**	**(21,065)**	**101,640**	**–**	
Income/(loss) from operations	**77,683**	**265**	**3,122**	**3,774**	**13,904**	**–**	**21,065**	**98,748**	**–**	
Other income (expense)										
Interest income and other income/(expense) (3)	3,789	-	-	-	-	-	-	3,789	-	
Interest expense and other financing costs (3)	(7,700)	-	-	-	-	709	709	(6,991)	-	
Loss on debt extinguishment (3)	(1,196)	-	-	-	-	750	750	(446)	-	
Total other income (expense), net	**(5,107)**	**–**	**–**	**–**	**–**	**1,459**	**1,459**	**(3,648)**	**–**	
Income/(loss) before income taxes	**72,576**	**265**	**3,122**	**3,774**	**13,904**	**1,459**	**22,524**	**95,100**	**–**	
Income tax (expense)/benefit	(17,681)	(66)	(781)	(944)	(3,476)	(365)	(5,631)	(23,312)	6,774	
Net income/(loss)	**$ 54,895**	**$ 199**	**$ 2,342**	**$ 2,831**	**$ 10,428**	**$ 1,094**	**$ 16,893**	**$ 71,788**	**$ 6,774**	= **$ 78,562**
Earnings per share—basic	$ 0.81							$ 1.06	$ 0.10	
Earnings per share—diluted	$ 0.75							$ 0.97	+ $ 0.09	**$ 1.07**
Weighted average shares outstanding—basic	67,489							67,489	67,489	
Weighted average shares outstanding—diluted	73,682							73,682	73,682	
Memo: Expenses										
Personnel (1)	53,107							49,333		
Operating (2)	69,598							52,307		
Non-Operating (3)	5,107							3,648		

Detailed Reconciliation of Q3 '20 Adjusted Net Income

(in thousands, except per-share amounts)

		Adjustments							
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
Revenue									
Investment management fees	$ 137,240	$ –	$ –	$ –	$ –	$ –	$ –	$ 137,240	$ –
Fund administration and distribution fees	51,416	-	-	-	-	-	-	51,416	-
Total revenue	**188,656**	**-**	**-**	**-**	**-**	**-**	**-**	**188,656**	**-**
Expenses									
Personnel compensation and benefits (1)	47,375	-	-	(2,806)	-	-	(2,806)	44,569	-
Distribution and other asset-based expenses (2)	39,123	-	-	-	-	-	-	39,123	-
General and administrative (2)	13,196	(256)	-	-	(2,563)	48	(2,771)	10,425	-
Depreciation and amortization (2)	3,936	-	(3,122)	-	-	-	(3,122)	814	-
Change in value of consideration payable for acquisition of business (2)	2,000	-	-	-	(2,000)	-	(2,000)	-	-
Acquisition-related costs (2)	1,148	-	-	-	(1,148)	-	(1,148)	-	-
Restructuring and integration costs (2)	1,285	-	-	-	(1,285)	-	(1,285)	-	-
Total operating expenses	**108,063**	**(256)**	**(3,122)**	**(2,806)**	**(6,996)**	**48**	**(13,132)**	**94,931**	**–**
Income/(loss) from operations	**80,593**	**256**	**3,122**	**2,806**	**6,996**	**(48)**	**13,132**	**93,725**	**–**
Other income (expense)									
Interest income and other income/(expense) (3)	1,120	-	-	-	-	-	-	1,120	-
Interest expense and other financing costs (3)	(8,187)	-	-	-	-	738	738	(7,449)	-
Loss on debt extinguishment (3)	(758)	-	-	-	-	696	696	(62)	-
Total other income (expense), net	**(7,825)**	**–**	**–**	**–**	**–**	**1,434**	**1,434**	**(6,391)**	**–**
Income/(loss) before income taxes	**72,768**	**256**	**3,122**	**2,806**	**6,996**	**1,386**	**14,566**	**87,334**	**–**
Income tax (expense)/benefit	(17,027)	(64)	(781)	(702)	(1,749)	(347)	(3,642)	(20,669)	6,745
Net income/(loss)	**$ 55,741**	**$ 192**	**$ 2,342**	**$ 2,105**	**$ 5,247**	**$ 1,040**	**$ 10,925**	**$ 66,665**	**$ 6,745** = **$ 73,410**
Earnings per share—basic	$ 0.82							$ 0.98	$ 0.10
Earnings per share—diluted	$ 0.76							$ 0.91 +	$ 0.09 **$ 1.00**
Weighted average shares outstanding—basic	67,743							67,743	67,743
Weighted average shares outstanding—diluted	73,437							73,437	73,437
Memo: Expenses									
Personnel (1)	47,375							44,569	
Operating (2)	60,688							50,362	
Non-Operating (3)	7,825							6,391	

Notes and Disclosures

Investing involves risk, including the potential loss of principal. There are no assurances that any fund will achieve its stated objective. All data in this presentation, unless otherwise noted, is as of September 30, 2021.

Past performance does not guarantee future results. A fund's most recent performance can be found at vcm.com. 61 mutual funds and ETFs did not have 4- or 5- star overall ratings or are not rated. 35% of AUM in mutual funds and ETFs did not receive overall rating of 4 or 5 stars or are not rated. Internal analysis by Victory Capital was used to calculate relative performance. Not all asset classes considered are available to the general public and not all strategies included have a history to be included in each time period. The returns used for this comparison are gross of fees and do not reflect the returns an investor would receive. Visit www.vcm.com for more information.

Consider the investment objectives, risks, charges and expenses of the funds and the USAA 529 Education Savings Plan (Plan) carefully before investing. Visit vcm.com/prospectus for a Mutual Fund or ETF prospectus or summary prospectus or for a Plan Description and Participation Agreement containing this and other important information about the Funds and Plan. Read it carefully before investing. You should compare the Plan with any 529 Plan offered by your home state or your beneficiary's home state and consider, before investing, any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in the home state's plan. Interests in the USAA 529 Education Savings Plan (Plan) are municipal fund securities issued by the Nevada College Savings Trust Fund (Trust). The value of an investment in the Plan will vary with market conditions. The Plan is administered by the Nevada State Treasurer, Zach Conine. Victory Capital Management Inc. provides investment management services, and Victory Capital Services, Inc. markets and distributes the Plan. Ascensus Broker Dealer Services, Inc. serves as the Program Manager as well as effects account owner transactions in the Plan. Interests in the Plan are not guaranteed by the Trust, the Plan, the state of Nevada, the Board or any other governmental entities, or any USAA, Victory or Ascensus entities and you could lose money.

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Investments in the Victory Hashdex Nasdaq Crypto Index Fund are speculative investments that involve a high degree of risk, including a partial or total loss of invested funds. There can be no assurance that the Fund will achieve its investment objective or return any capital. The interests in the Fund are not suitable for any investor that cannot afford loss of the entire investment and is not intended as a complete investment program. The interests in the Fund are not registered under the Securities Act of 1933 (the "Securities Act"), the Securities Exchange Act of 1934, the Investment Company Act of 1940, or any state or foreign securities laws, and are being offered in private placements pursuant to the exemption from registration provided by Rule 506 of Regulation D and/or Regulation S of the Securities Act and other similar exemptions in the laws of the states and jurisdictions where the offering will be made. As a result, interests in the Fund are restricted and subject to significant limitations on resales and transfers. Potential investors should have limited need for liquidity in their investment and should carefully consider the long-term nature of an investment in the Fund prior to making an investment decision. Interests in the Fund are not insured by the FDIC or any other governmental agency. Victory Capital Services, Inc., an affiliate of Victory Capital Management Inc., the Fund's investment advisor, will act as placement agent to the Fund.

Notes and Disclosures

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