

First Quarter 2022
Earnings Presentation
May 6, 2022

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

Quarterly Business Overview

Investment Performance

First-Quarter Financial Results

Appendix

Quarterly Business Overview

Quarterly Business Overview

Q1 OPERATING & FINANCIAL HIGHLIGHTS

- Quarterly long-term gross sales increase to $11.0Bn
  - Up >100% from $5.5Bn in Q4 2021
  - Up 64% Y-o-Y
- Q1 net positive long-term inflows of $3.0Bn
  - +$6.4Bn from Q4 2021
  - +$4.0Bn from Q1 2021
  - Positive net long-term inflows 3 of last 4 quarters, and TTM period
- Total AUM of $178.1Bn as of March 31, 2022
- Q1 Revenue rose to $230MM
  - 7th consecutive sequential quarterly revenue increase
- Adjusted EBITDA margin of 49.7%
- Q1 Adjusted Net Income with tax benefit per diluted share of $1.23

DIRECT INVESTOR BUSINESS

- Best quarter of net flows in Direct Investor business since 2019 acquisition
- 529 Education Savings Plan
  - Positive net flows in Q1
- More than 130K investor interactions in Q1
- Build out of digital marketplace progressing
- Continuing direct marketing initiatives
- Mobile app is additive to customer experience

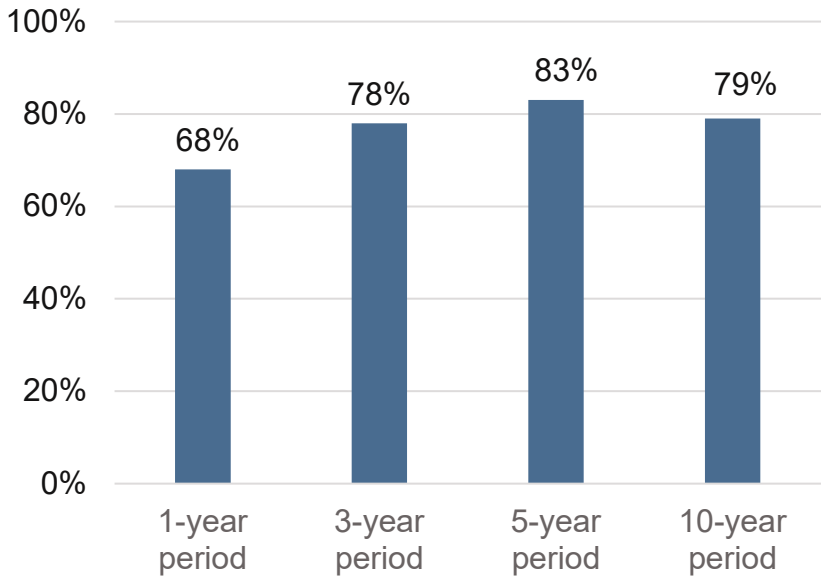
Investment Performance

Commitment to Long-Term Investment Performance

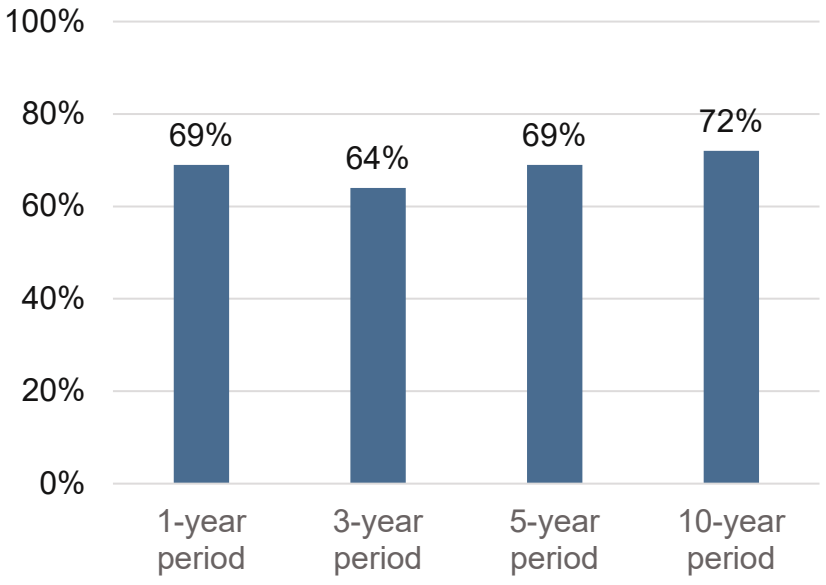
44 *Total Mutual Funds and ETFs with 4- or 5-Star overall ratings*

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

% of AUM outperforming benchmarks

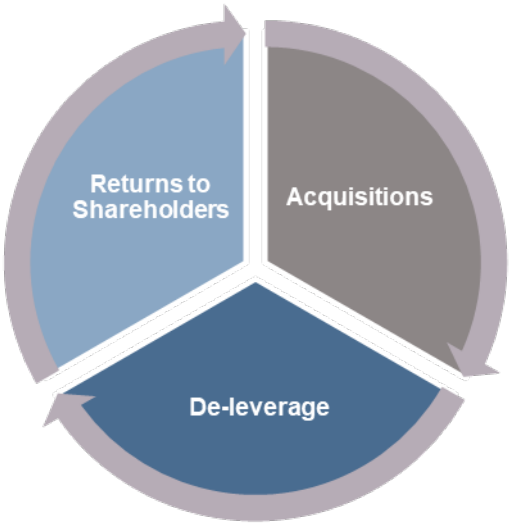


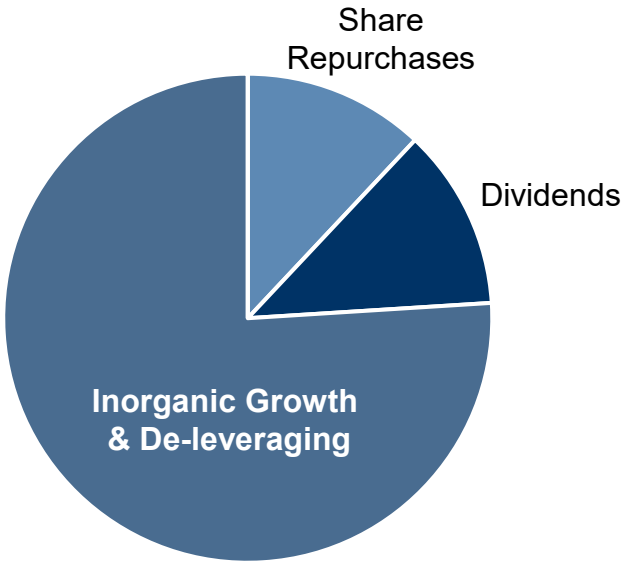
% of strategies outperforming benchmarks



All figures as of March 31, 2022. Past performance is no guarantee of future results.

Long-term Growth & Capital Allocation Strategy





Enhancing Shareholder Value by:

- Improving platform with every strategic acquisition
- Evolving product set to drive organic growth
- Gaining efficiency from integrated platform
- Evaluating numerous acquisition opportunities
- Being acquirer of choice for many asset managers
- Commitment to de-levering for balance sheet flexibility

Maintaining Balance Sheet Flexibility with:

- Capital allocation policy that supports growth strategy
- Strong free cash flow generation
- Capacity to quickly de-leverage to do additional deals
- Ancillary and opportunistic share repurchases
- Ancillary cash dividend
- Minimal cap ex, due to operating model

First-Quarter 2022 Financial Results

First-Quarter 2022 Financial Results

FIRST QUARTER FINANCIAL RESULTS

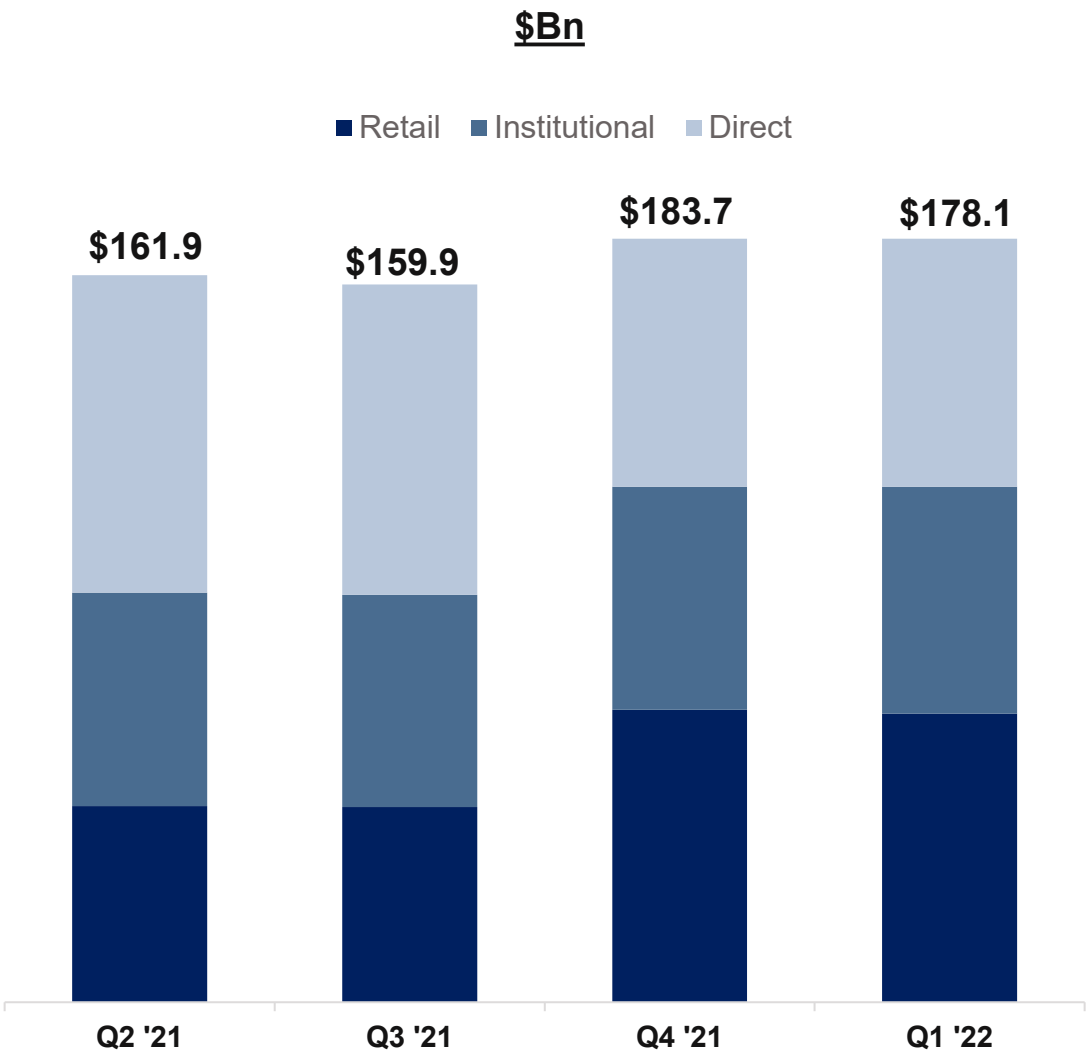
- AUM of $178.1Bn as of March 31, 2022
  - Down 3% from year end 2021
  - Up 15% from Q1 2021
- Net positive long-term inflows of $3.0Bn
- Revenue of $230MM
  - Up slightly from $229.1MM in Q4 2021
  - Up 8% from Q1 2021
- Q1 Adjusted EBITDA of $114.4MM
  - Flat Q-o-Q and up 7% Y-o-Y
- Q1 GAAP Net Income of $71.3MM, or $0.97 per diluted share
- Q1 Adjusted Net Income with tax benefit of $90.4MM

CAPITAL MANAGEMENT

- Returned $27MM to shareholders in Q1
  - $9.4MM in share repurchases
  - $17.6MM in cash dividends
- Board authorized new $100MM share repurchase program
- Regular quarterly cash dividend of $0.25 per share payable on June 27

Assets Under Management

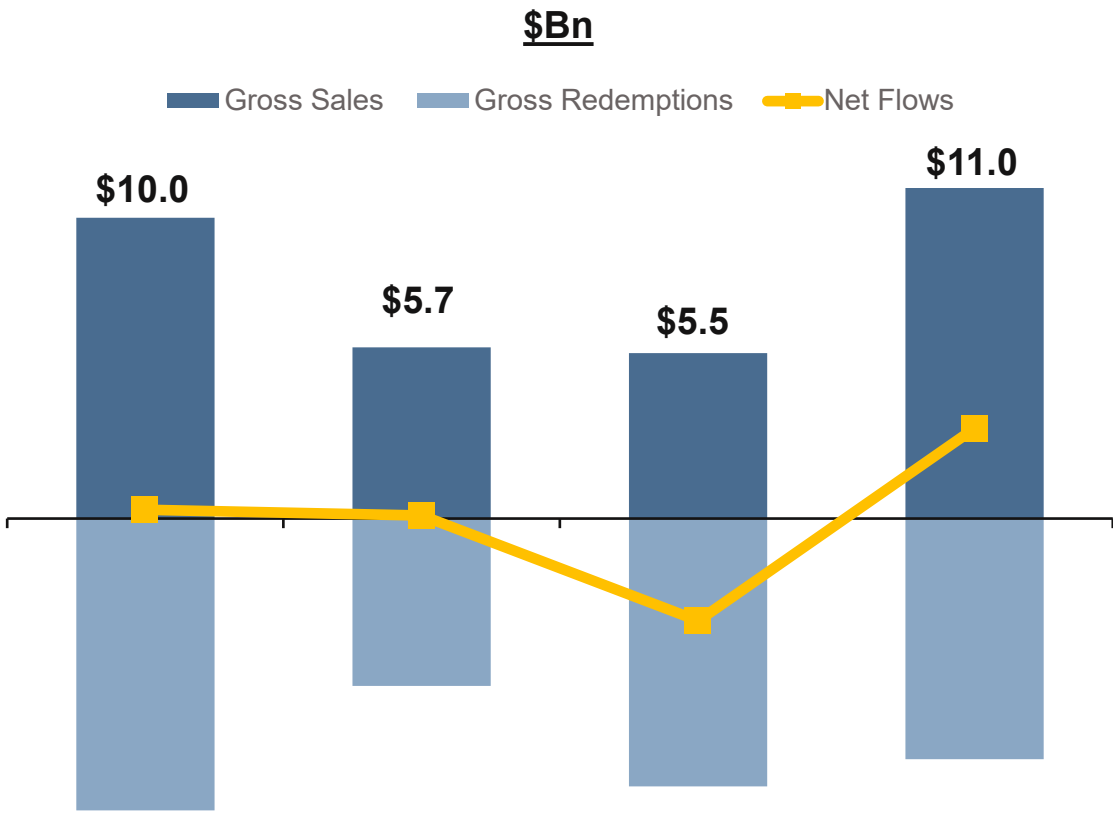
- Diversified distribution and client base
  - Retail
  - Institutional
  - Direct



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

Long-Term Asset Flows

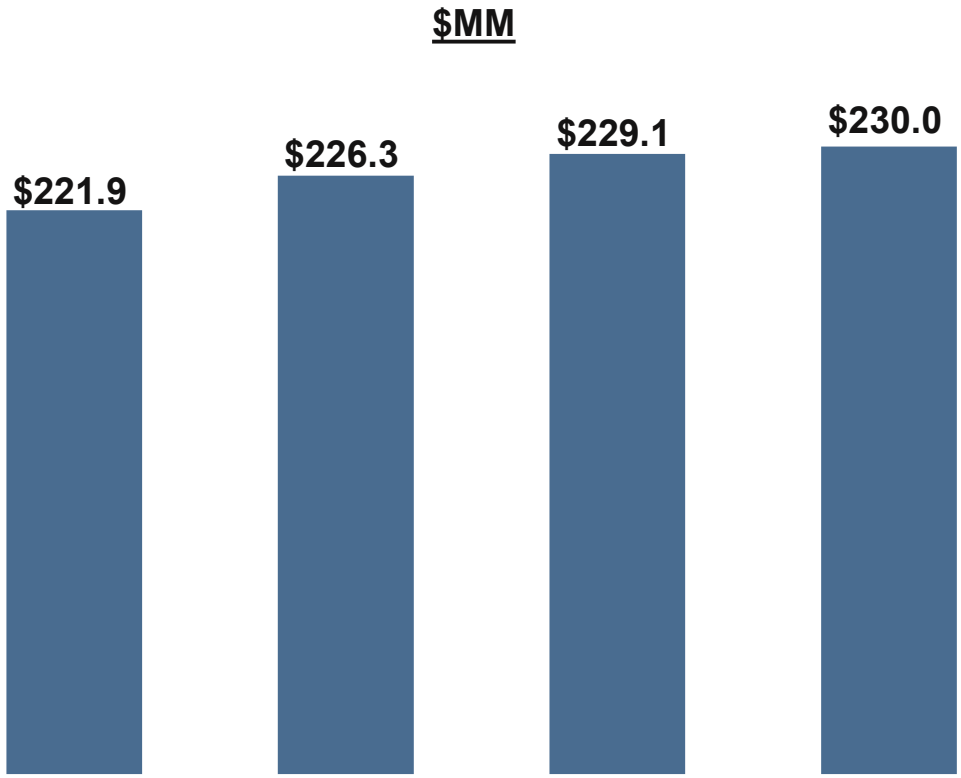
- Gross long-term sales of $11.0Bn in Q1
- Positive net long-term flows in three out of last four quarters
- Positive long-term flows for TTM period
- Multiple franchises/strategies generated long-term net inflows in Q1 '22 including:
  - RS Global
  - RS Value
  - Sophus
  - Sycamore
  - Trivalent
  - WestEnd Advisors
  - Solutions
  - VictoryShares ETFs



Operating Metrics	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Net long-term flows ($MM)	+$302	+$131	-$3,402	**+$3,043**

Revenues

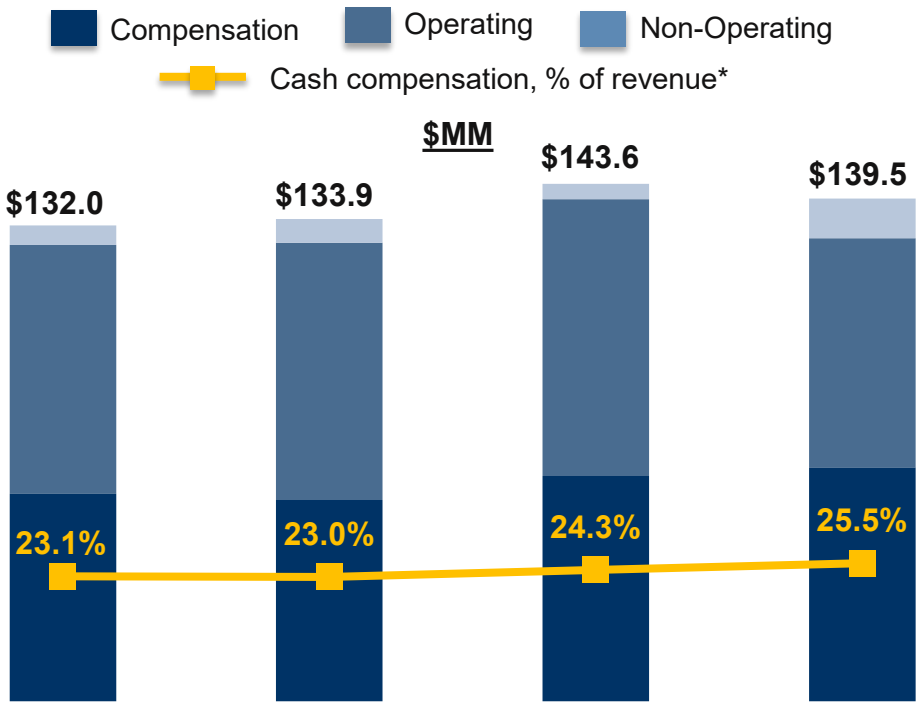
- Q1 2022 revenue of $230MM
- Seventh consecutive quarter of increasing revenues
- Average fee rate realization in Q1 reflects mix shift due to WestEnd acquisition



Operating Metrics	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Average AUM ($Bn)	$158.5	$162.5	$162.3	**$176.9**
Average Fee Rate (bps)	56.2	55.3	56.0	**52.7**

Expenses

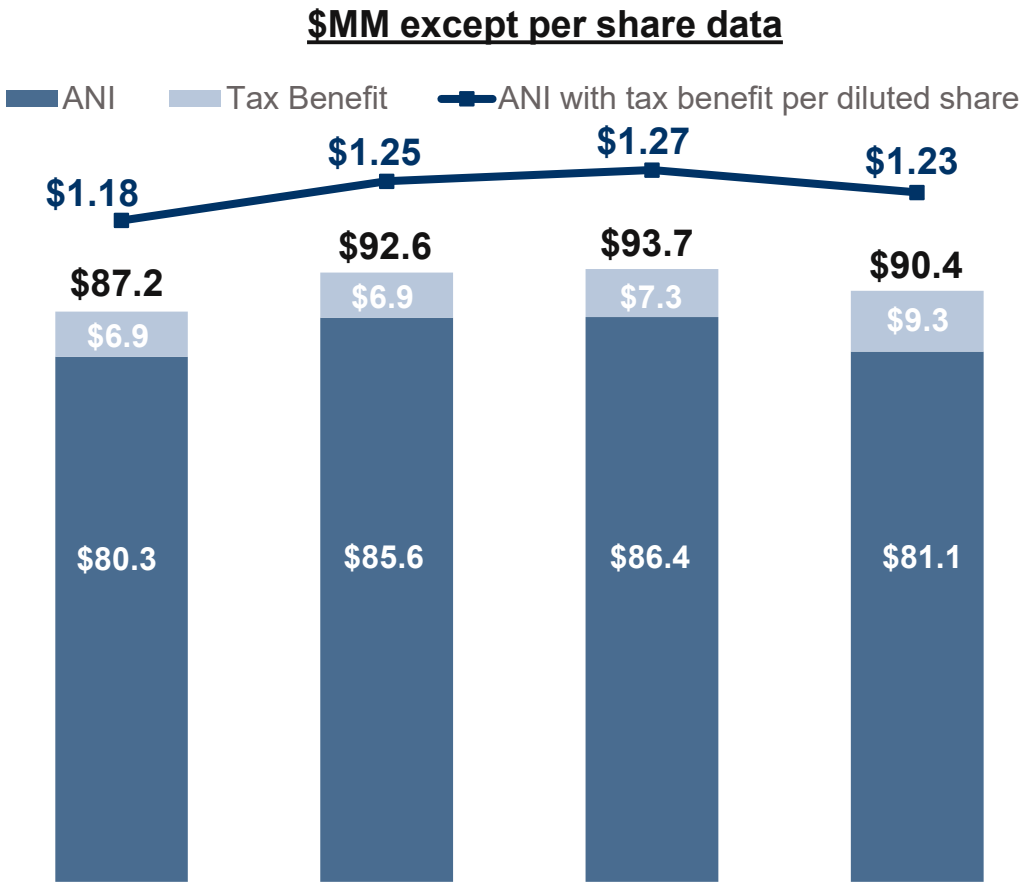
- Q1 2022 total expenses decreased $4MM vs Q4 2021
  - Expense base calibrated as designed
  - Lower operating expenses driven by reduced acquisition, restructuring, and integration expenses
  - NPV of contingent earnout payments impacted by higher interest (discount) rate
  - Partially offset by full quarter of NEC and WEA acquisitions, seasonally higher employment tax and benefits, and non-operating expenses, due to higher interest cost



($MM)	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Cash Compensation and payroll taxes*	$ 51.3	$ 52.1	$ 55.6	**$ 58.7**
Acquisition / Transaction related compensation	-	-	1.9	**2.5**
Equity Compensation (Non-cash)	4.3	4.0	3.7	**3.9**
Deferred Compensation MTM (Non-cash)	1.8	(0.3)	1.3	**(0.3)**
Total Compensation Expenses	57.5	55.8	62.5	**64.9**
Acquisition, Restructuring, and Integration Expenses (Income)	6.5	8.4	13.3	**(3.4)**
All Other Non-Personnel Operating Expenses	62.6	63.0	63.5	**67.0**
Total Operating Expenses	126.6	127.3	139.3	**128.5**
Unrealized Gain/(Loss) on Deferred Comp Plan - Offset	*1.8*	*(0.3)*	*1.3*	***(0.3)***
Total Non-Operating Exp. (inclusive of Def Comp G/L)	5.4	6.6	4.3	**11.0**
Total Expenses	$ 132.0	$ 133.9	$ 143.6	**$ 139.5**

Non-GAAP Metrics

- Operating model preserved margin strength during Q1 market volatility
- Margins are inclusive of investments in:
  - Technology
  - Distribution
  - Data
  - Marketing
- Cash tax benefit up $2MM vs Q4



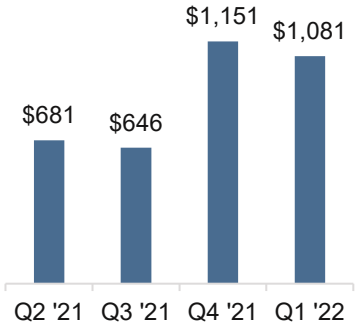
Operating Metrics	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Adjusted EBITDA ($MM)	$112.2	$115.0	$114.9	**$114.4**
Adjusted EBITDA margin	50.6%	50.8%	50.2%	**49.7%**

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

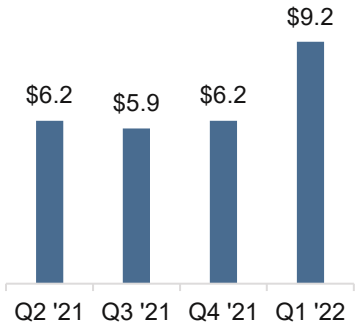
Capital Management

Selected Balance Sheet Items ($MM)	3/31/2022
Cash / Cash Equivalents	$39
Debt	$1,081
Stockholders' Equity	$986
Diluted Shares Outstanding (MM)	73.7
Net Debt / Adjusted EBITDA	2.2x

Debt ($MM)



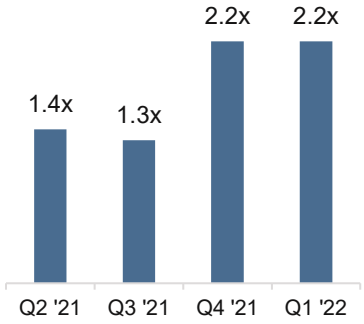
Interest Expense and Other Financing Costs ($MM)



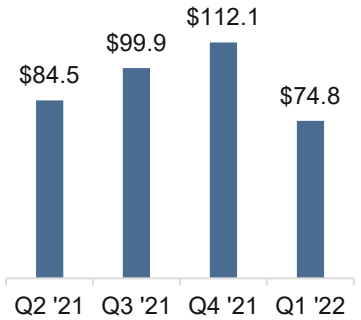
Q1 2022 Highlights

- Repaid $70MM of debt in Q1
  - Repaid $90MM YTD
- Returned $27MM to shareholders
  - ➢ Repurchased 293K shares
  - ➢ Declared regular $0.25 quarterly dividend
- New $100MM share repurchase authorization
- Leverage ratio of 2.2x at quarter end

Leverage Ratio



GAAP Operating Cash Flow ($MM)

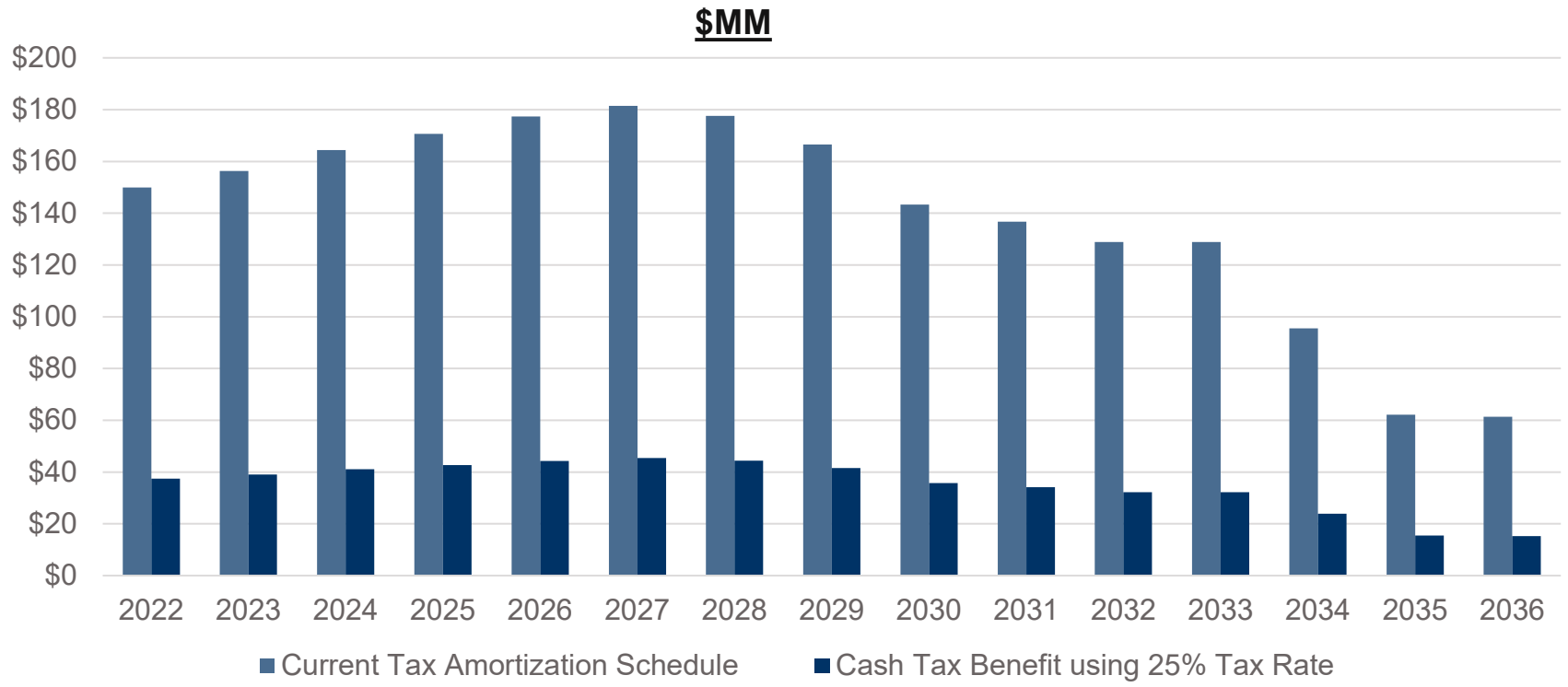


Appendix

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
  - $2.1 billion in total future tax amortization
  - **$525MM** in future cash tax savings, assuming 25% tax rate
  - **NPV $337MM, conservatively discounted at 7%, or >$4.90 per share**



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)				
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022
GAAP Net income	**$ 65,202**	**$ 69,270**	**$ 74,175**	**$ 69,742**	**$ 71,273**
GAAP Income tax expense	(17,662)	(20,629)	(18,181)	(15,781)	(19,271)
GAAP income before taxes	**82,864**	**89,899**	**92,356**	**85,523**	**90,544**
Interest expense	7,310	6,086	5,561	5,328	8,724
Depreciation	1,246	1,524	1,693	1,746	1,954
Other business taxes	374	524	376	383	590
GAAP amortization of acquisition-related intangibles	3,138	3,171	2,684	3,638	8,656
Stock-based compensation	4,636	3,124	2,851	2,499	2,633
Acquisition, restructuring and exit costs	4,389	6,544	8,425	15,188	(844)
Debt issuance costs	2,793	1,304	960	532	2,061
Losses from equity method investments	92	65	70	104	57
Adjusted EBITDA	**$ 106,842**	**$ 112,241**	**$ 114,976**	**$ 114,941**	**$ 114,375**
Revenue (in thousands)	$ 212,949	$ 221,904	$ 226,290	$ 229,122	$ 230,019
Adjusted EBITDA Margin	**50.2%**	**50.6%**	**50.8%**	**50.2%**	**49.7%**

Consolidated Reconciliations of Adjusted Net Income

	For the three months ended,				
	(in thousands, except per-share data)				
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022
GAAP Net Income	**$ 65,202**	**$ 69,270**	**$ 74,175**	**$ 69,742**	**$ 71,273**
Other business taxes	374	524	376	383	590
GAAP amortization of acquisition-related intangibles	3,138	3,171	2,684	3,638	8,656
Stock-based compensation	4,636	3,124	2,851	2,499	2,633
Acquisition, restructuring and exit costs	4,389	6,544	8,425	15,188	(844)
Debt issuance costs	2,793	1,304	960	532	2,061
Tax effect of above adjustments	(3,832)	(3,667)	(3,824)	(5,560)	(3,274)
Adjusted Net Income	76,700	80,270	85,647	86,422	81,095
Tax benefit of goodwill and acquired intangibles	6,918	6,918	6,918	7,258	9,322
Adjusted Net Income with Tax Benefit	**$ 83,618**	**$ 87,188**	**$ 92,565**	**$ 93,680**	**$ 90,417**
Weighted average shares outstanding – diluted	74,108	74,166	74,053	73,973	73,652
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 1.13**	**$ 1.18**	**$ 1.25**	**$ 1.27**	**$ 1.23**

Detailed Reconciliation of Q1 '22 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	$ 179,465						$ –	$ 179,465		
Fund administration and distribution fees	50,554						-	50,554		
Total revenue	**230,019**	**-**	**-**	**-**	**-**	**-**	**-**	**230,019**		
Expenses										
Personnel compensation and benefits (1)	64,901			(2,633)	(2,530)		(5,163)	59,738		
Distribution and other asset-based expenses (2)	43,584						-	43,584		
General and administrative (2)	12,762	(590)					(590)	12,172		
Depreciation and amortization (2)	10,607		(8,656)				(8,656)	1,951		
Change in value of consideration payable for acquisition of business (2)	(3,500)				3,500		3,500	-		
Acquisition-related costs (2)	117				(117)		(117)	-		
Restructuring and integration costs (2)	9				(9)		(9)	-		
Total operating expenses	**128,480**	**(590)**	**(8,656)**	**(2,633)**	**844**	**–**	**(11,035)**	**117,445**		
Income/(loss) from operations	**101,539**	**590**	**8,656**	**2,633**	**(844)**	**–**	**11,035**	**112,574**		
Other income (expense)										
Interest income and other income/(expense) (3)	(207)						-	(207)		
Interest expense and other financing costs (3)	(9,233)					844	844	(8,389)		
Loss on debt extinguishment (3)	(1,555)					1,217	1,217	(338)		
Total other income (expense), net	**(10,995)**	**–**	**–**	**–**	**–**	**2,061**	**2,061**	**(8,934)**		
Income/(loss) before income taxes	**90,544**	**590**	**8,656**	**2,633**	**(844)**	**2,061**	**13,096**	**103,640**		
Income tax (expense)/benefit	(19,271)	(148)	(2,164)	(657)	211	(516)	(3,274)	(22,545)	9,322	
Net income/(loss)	**$ 71,273**	**$ 442**	**$ 6,492**	**$ 1,976**	**$ (633)**	**$ 1,545**	**$ 9,822**	**$ 81,095**	**+ $ 9,322**	**= $ 90,417**
Earnings per share—basic	$ 1.04							$ 1.18	$ 0.14	
Earnings per share—diluted	$ 0.97							**$ 1.10**	**+ $ 0.13**	**= $ 1.23**
Weighted average shares outstanding—basic	68,747							68,747	68,747	
Weighted average shares outstanding—diluted	73,652							73,652	73,652	
Memo: Expenses										
Personnel (1)	64,901							59,738		
Operating (2)	63,579							57,707		
Non-Operating (3)	10,995							8,934		

Detailed Reconciliation of Q4 '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	$ 174,867						$ –	$ 174,867		
Fund administration and distribution fees	54,255						-	54,255		
Total revenue	**229,122**	-	-	-	-	-	-	**229,122**		
Expenses										
Personnel compensation and benefits (1)	62,528	-	-	(2,499)	(1,906)	-	(4,405)	58,123		
Distribution and other asset-based expenses (2)	45,200	-	-	-	-	-	-	45,200		
General and administrative (2)	12,904	(383)	-	-	-	-	(383)	12,521		
Depreciation and amortization (2)	5,384	-	(3,638)	-	-	-	(3,638)	1,746		
Change in value of consideration payable for acquisition of business (2)	3,200	-	-	-	(3,200)	-	(3,200)	-		
Acquisition-related costs (2)	9,997	-	-	-	(9,997)	-	(9,997)	-		
Restructuring and integration costs (2)	85	-	-	-	(85)	-	(85)	-		
Total operating expenses	**139,298**	**(383)**	**(3,638)**	**(2,499)**	**(15,188)**	**–**	**(21,708)**	**117,590**		
Income/(loss) from operations	**89,824**	**383**	**3,638**	**2,499**	**15,188**	**–**	**21,708**	**111,532**		
Other income (expense)										
Interest income and other income/(expense) (3)	1,498						-	1,498		
Interest expense and other financing costs (3)	(5,799)					532	532	(5,267)		
Loss on debt extinguishment (3)	-					-	-	-		
Total other income (expense), net	**(4,301)**	**–**	**–**	**–**	**–**	**532**	**532**	**(3,769)**		
Income/(loss) before income taxes	**85,523**	**383**	**3,638**	**2,499**	**15,188**	**532**	**22,240**	**107,763**		
Income tax (expense)/benefit	(15,781)	(96)	(910)	(625)	(3,796)	(133)	(5,560)	(21,341)	7,258	
Net income/(loss)	**$ 69,742**	**$ 287**	**$ 2,728**	**$ 1,874**	**$ 11,392**	**$ 399**	**$ 16,680**	**$ 86,422**	**+ $ 7,258**	**= $ 93,680**
Earnings per share—basic	$ 1.02							$ 1.26	$ 0.11	
Earnings per share—diluted	$ 0.94							**$ 1.17**	**+ $ 0.10**	**= $ 1.27**
Weighted average shares outstanding—basic	68,378							68,378	68,378	
Weighted average shares outstanding—diluted	73,973							73,973	73,973	
Memo: Expenses										
Personnel (1)	62,528							58,123		
Operating (2)	76,770							59,467		
Non-Operating (3)	4,301							3,769		

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

(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		

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 March 31, 2022.

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.

The Morningstar Rating for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% ten-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the ten-year overall star rating formula seems to give the most weight to the ten-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings may reflect fee waivers in effect; in their absence, ratings may have been lower.

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.

Notes and Disclosures

Victory Capital means Victory Capital Management Inc., the investment adviser of the Victory Capital mutual funds, USAA Mutual Funds, VictoryShares ETFs, VictoryShares USAA ETFs, and USAA 529 Education Savings Plan (Plan). Victory Capital mutual funds, USAA Mutual Funds, and the Plan are distributed by Victory Capital Services, Inc. (VCS), an affiliate of Victory Capital. VictoryShares ETFs and VictoryShares USAA ETFs are distributed by Foreside Fund Services, LLC (Foreside). VCS and Foreside are members of FINRA. VCS and Victory Capital are not affiliated with Foreside. USAA is not affiliated with Foreside, Victory Capital, or VCS. Use of the term “member” or “membership” refers to membership in USAA Membership Services and does not convey any legal or ownership rights in USAA.