

Fourth Quarter 2022 Earnings Presentation

February 10, 2023

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

Fourth-Quarter Financial Results

Appendix

Quarterly Business Overview

2022 Business Overview

Q4 2022 AND FULL-YEAR OPERATING & FINANCIAL HIGHLIGHTS

- Superior execution and our differentiated operating model continue to produce exceptional results
- 2022 long-term gross flows of $33.3Bn
  - up 20% over 2021
- Q4 long-term gross flows of $6.5Bn
  - Record for any Q4 period
- Q4 long-term net flows of ($4.4Bn)
  - Impacted by market environment
- Full-year long-term net flows of ($2.5Bn)
  - 1.4% of BOP AUM
- Adjusted EBITDA margin of 49.7% in Q4
  - Full-year Adjusted EBITDA margin of 49.6%
- Q4 Adjusted Net Income with tax benefit per diluted share of $1.05
- Record high capital returned to shareholders totaled more than $200MM

STRATEGIC INVESTMENTS

- Continuing to strategically reinvest in the business for future growth
  - Data for knowledge and growth
  - Technology enhancements
  - Distribution Channels
  - Marketing
  - Expansion of platform through hiring of people
  - Digital Marketplace build out

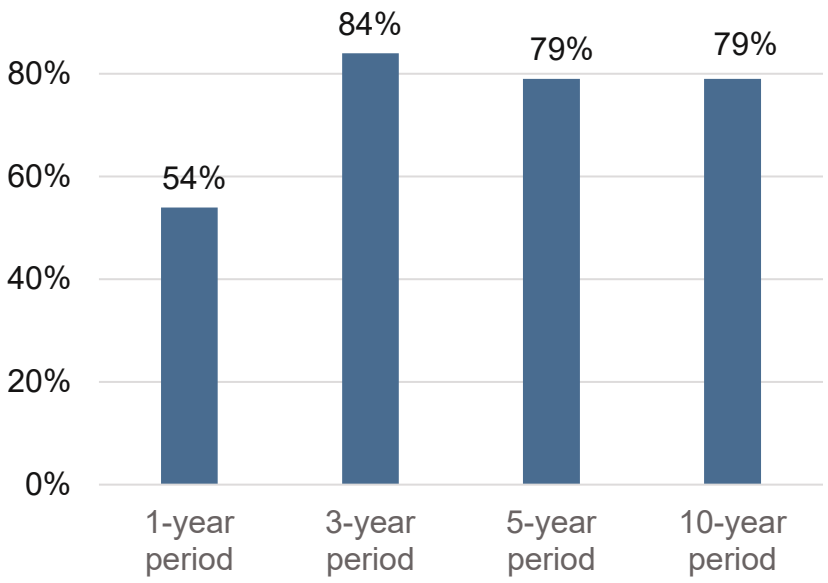
Investment Performance

Commitment to Long-Term Investment Performance

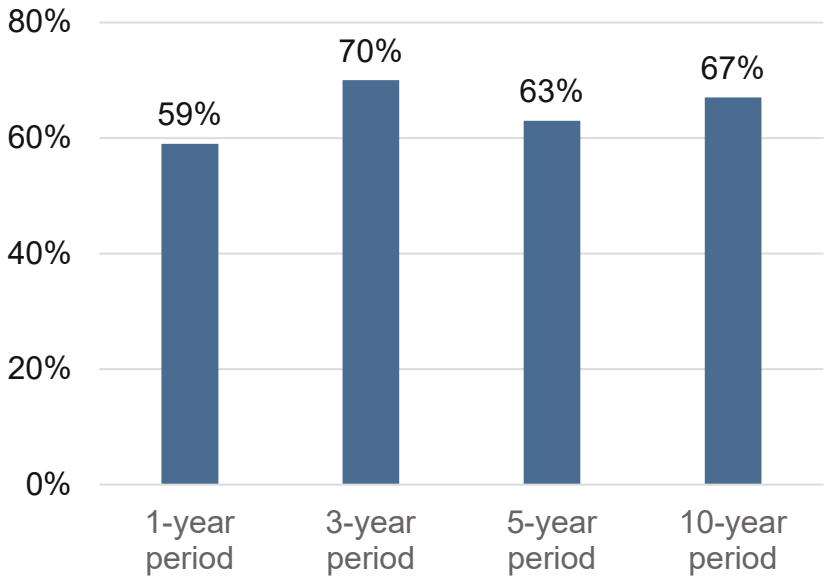
44 *Total Mutual Funds and ETFs with 4- or 5-Star overall ratings*

62% *Total Mutual Funds and ETFs AUM with 4- or 5-Star overall ratings*

% of AUM outperforming benchmarks

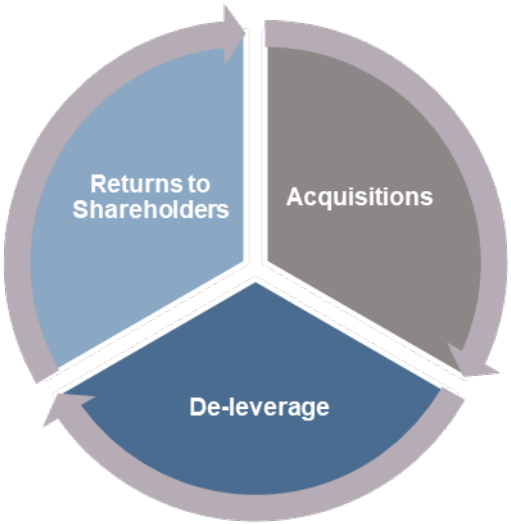


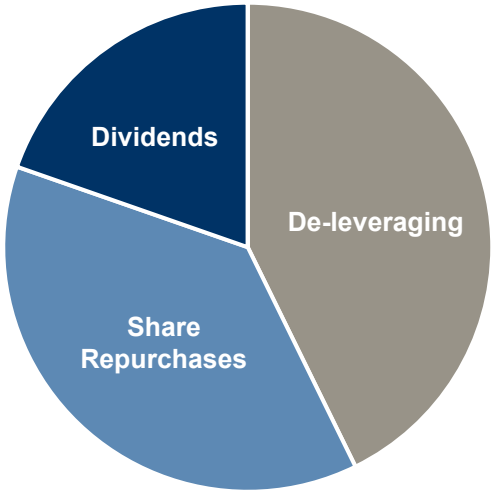
% of strategies outperforming benchmarks



All figures as of December 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 do additional deals
- Opportunistic share repurchases
- Ancillary cash dividend
- Minimal cap ex, due to operating model

Fourth-Quarter 2022 Financial Results

Fourth-Quarter & Full-Year 2022 Financial Results

FOURTH QUARTER FINANCIAL RESULTS

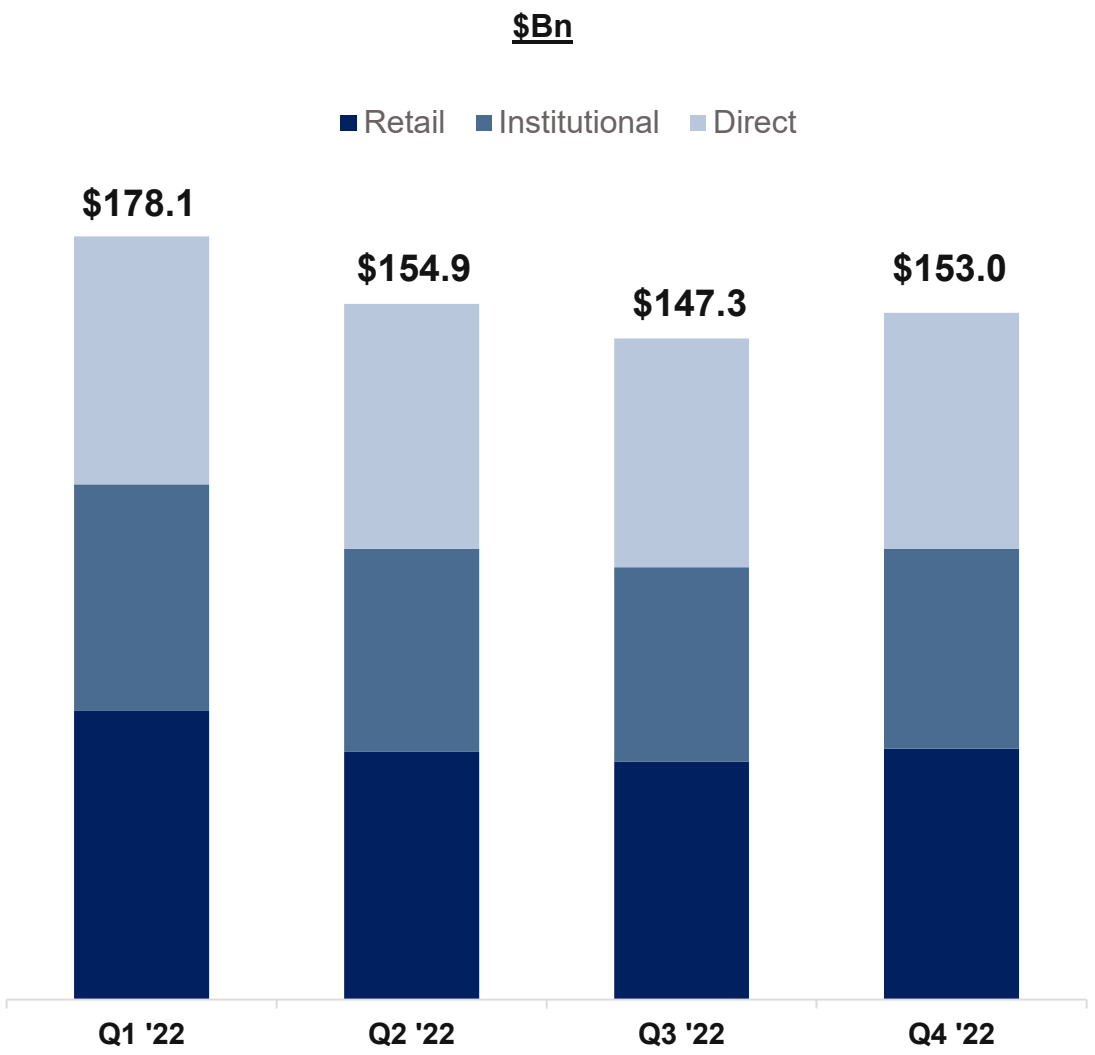
- AUM of $153.0Bn as of December 31, 2022
- Q4 Revenue of $201.5MM; $854.8MM in FY 2022
- Q4 GAAP operating income of $79.6MM, $399.1MM in FY 2022
- Q4 Adjusted EBITDA of $100.1MM; $424.2MM in FY 2022
- Q4 GAAP Net Income of $52.3MM, or $0.74 per diluted share; $275.5MM or $3.81 per diluted share in FY 2022
- Q4 Adjusted Net Income with tax benefit of $74.5MM, or $1.05 per diluted share; $331.2MM or $4.58 per diluted share in FY 2022

CAPITAL MANAGEMENT

- Returned total of $59MM to shareholders in Q4; $201MM in 2022
  - Share repurchases: $42MM in Q4; $132MM full year
  - Cash dividends: $17MM in Q4; $69MM full year
- Reduced debt by $150MM during 2022
- Declared 28% increase in quarterly cash dividend to $0.32 per share

Assets Under Management

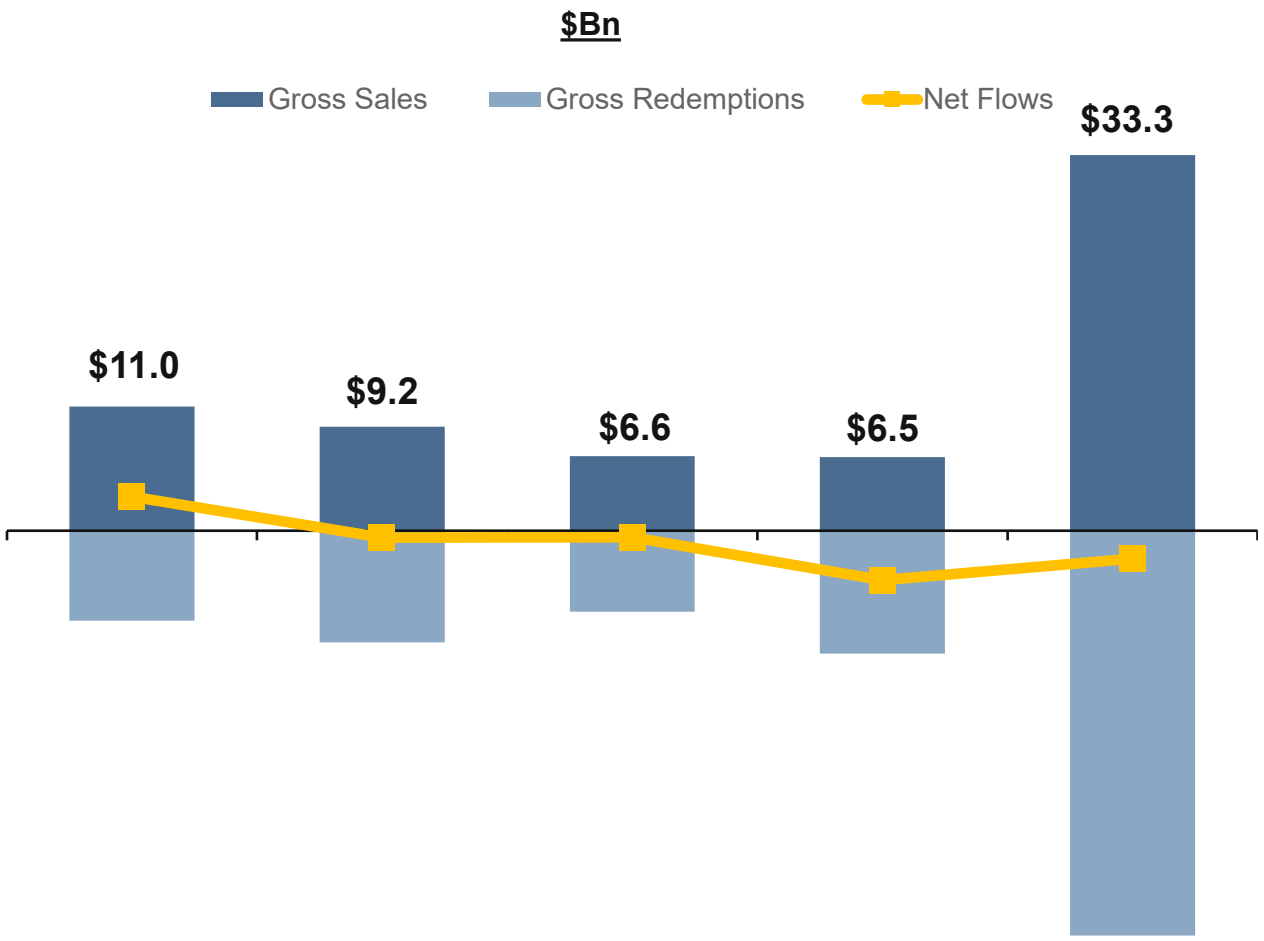
- Well diversified distribution and client base
  - Retail
  - Institutional
  - Direct



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

Long-Term Asset Flows

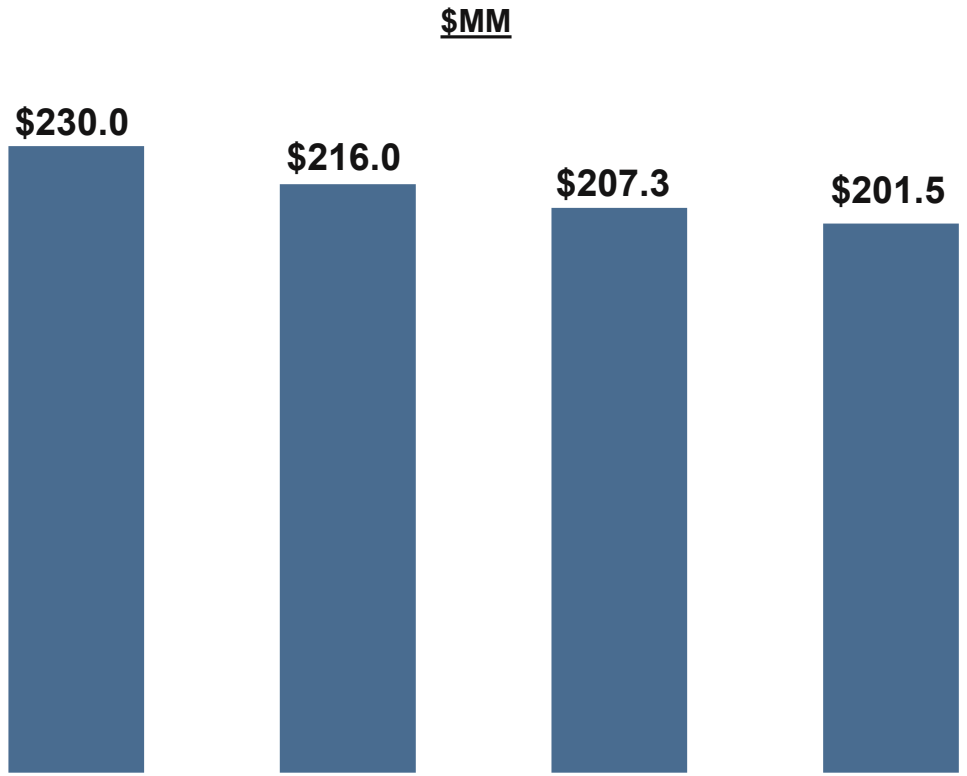
- Multiple franchises, strategies and vehicles generated positive long-term net inflows for the quarter and/or full year period including:
  - RS Global
  - Sophus
  - Sycamore
  - WestEnd
  - VictoryShares ETFs



Operating Metrics	Q1 '22	Q2 '22	Q3 '22	Q4 '22	YTD
Net long-term flows ($MM)	+$3,043	-$630	-$553	-$4,405	**-$2,545**

Revenues

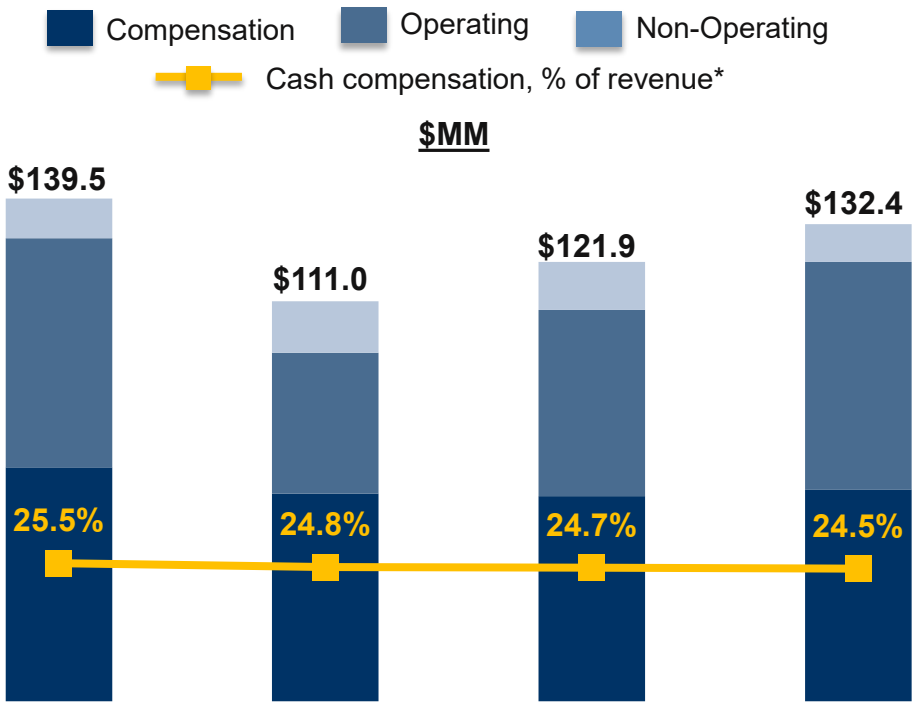
- Average fee rate realization in 2022 reflects mix shift primarily due to market action



Operating Metrics	Q1 '22	Q2 '22	Q3 '22	Q4 '22
Average AUM ($Bn)	$176.9	$165.7	$158.9	**$154.6**
Average Fee Rate (bps)	52.7	52.3	51.8	**51.7**

Expenses

- Q4 2022 total GAAP expenses increased $10.5MM vs Q3 2022, due to non-cash expenses
  - ➢ Non-cash change in valuation of contingent consideration had no impact in Q4, vs a $10.5MM beneficial impact in Q3

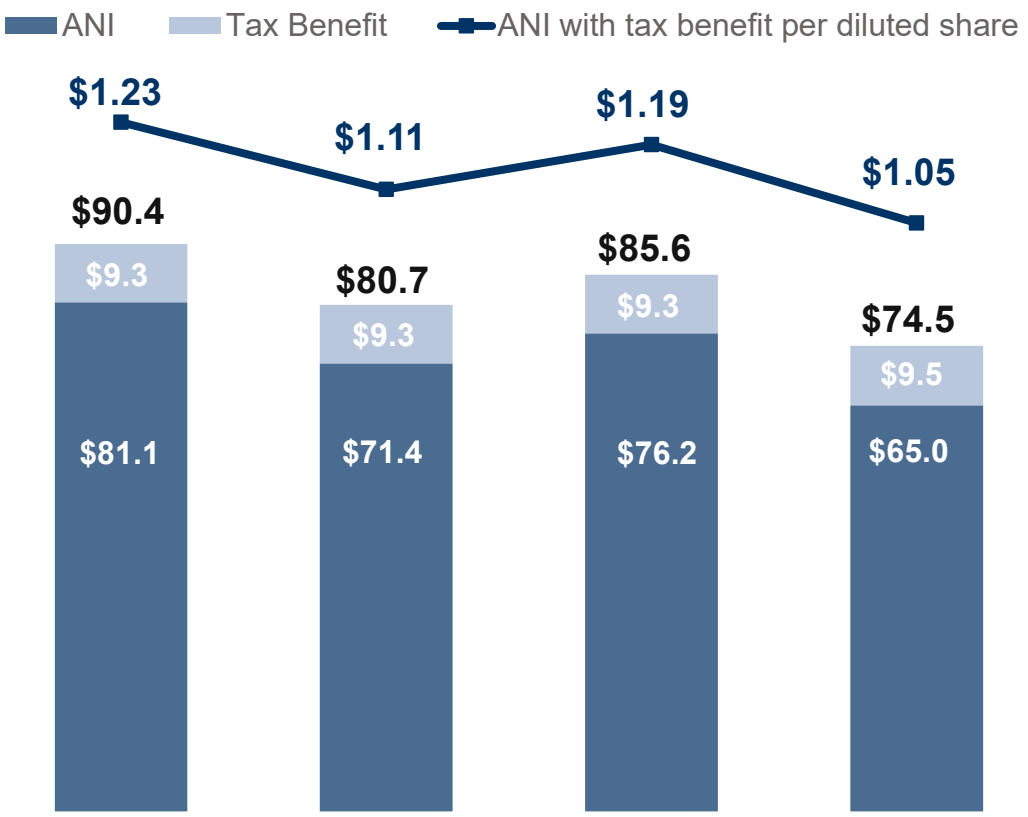


($MM)	Q1 '22	Q2 '22	Q3 '22	Q4 '22
Cash compensation and payroll taxes*	$ 58.7	$ 53.6	$ 51.2	**$ 49.3**
Acquisition / Transaction related compensation	2.5	2.4	2.4	**3.1**
Equity compensation (non-cash)	3.9	5.0	4.4	**4.6**
Deferred compensation MTM (non-cash)	(0.3)	(3.4)	(1.1)	**1.8**
Total Compensation Expenses	64.9	57.6	56.9	**58.8**
Acquisition, restructuring, and integration expenses (income)	(3.4)	(26.4)	(10.3)	**0.9**
All other non-personnel operating expenses	67.0	65.5	62.0	**62.2**
Total Operating Expenses	128.5	96.7	108.6	**121.9**
Unrealized gain/(loss) on deferred comp plan - offset	*(0.3)*	*(3.4)*	*(1.1)*	***1.8***
Total Non-Operating Exp. (inclusive of def comp g/l)	11.0	14.3	13.3	**10.5**
Total Expenses	$ 139.5	$ 111.0	$ 121.9	**$ 132.4**

Non-GAAP Metrics

- Margin strength continued during market volatility
- Margins are inclusive of ongoing strategic investments in:
  - Data for knowledge and growth
  - Technology enhancements
  - Distribution Channels
  - Marketing
  - Expansion of platform through hiring of people
  - Digital Marketplace build out

$MM except per-share data



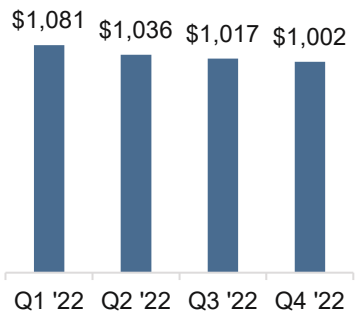
Operating Metrics	Q1 '22	Q2 '22	Q3 '22	Q4 '22	YTD
Adjusted EBITDA ($MM)	$114.4	$106.2	$103.6	**$101.1**	**$424.2**
Adjusted EBITDA margin	49.7%	49.2%	50.0%	**49.7%**	**49.6%**

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

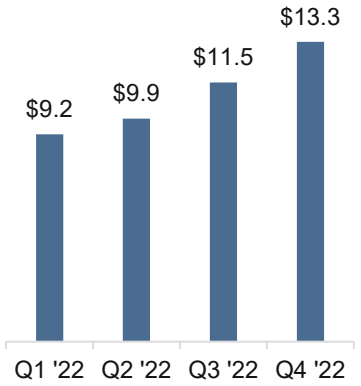
Capital Management

Selected Balance Sheet Items ($MM)	12/31/2022
Cash / Cash Equivalents	$38.2
Debt	$1,002
Stockholders' Equity	$1,065
Diluted Shares Outstanding (MM)	70.7
Net Debt / Adjusted EBITDA	2.4

Debt ($MM)



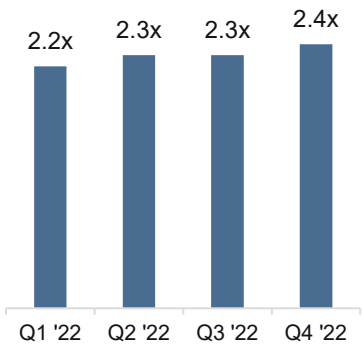
Interest Expense and Other Financing Costs ($MM)



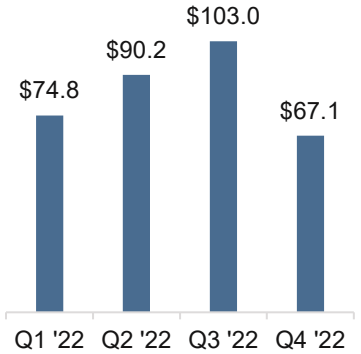
2022 Highlights

- Repaid $150MM of debt
- $201MM of capital return to shareholders
  - Repurchased 4.6MM shares
  - $69MM in cash dividends
- $450MM of debt hedged at 3.15% through July 2026

Leverage Ratio



GAAP Operating Cash Flow ($MM)

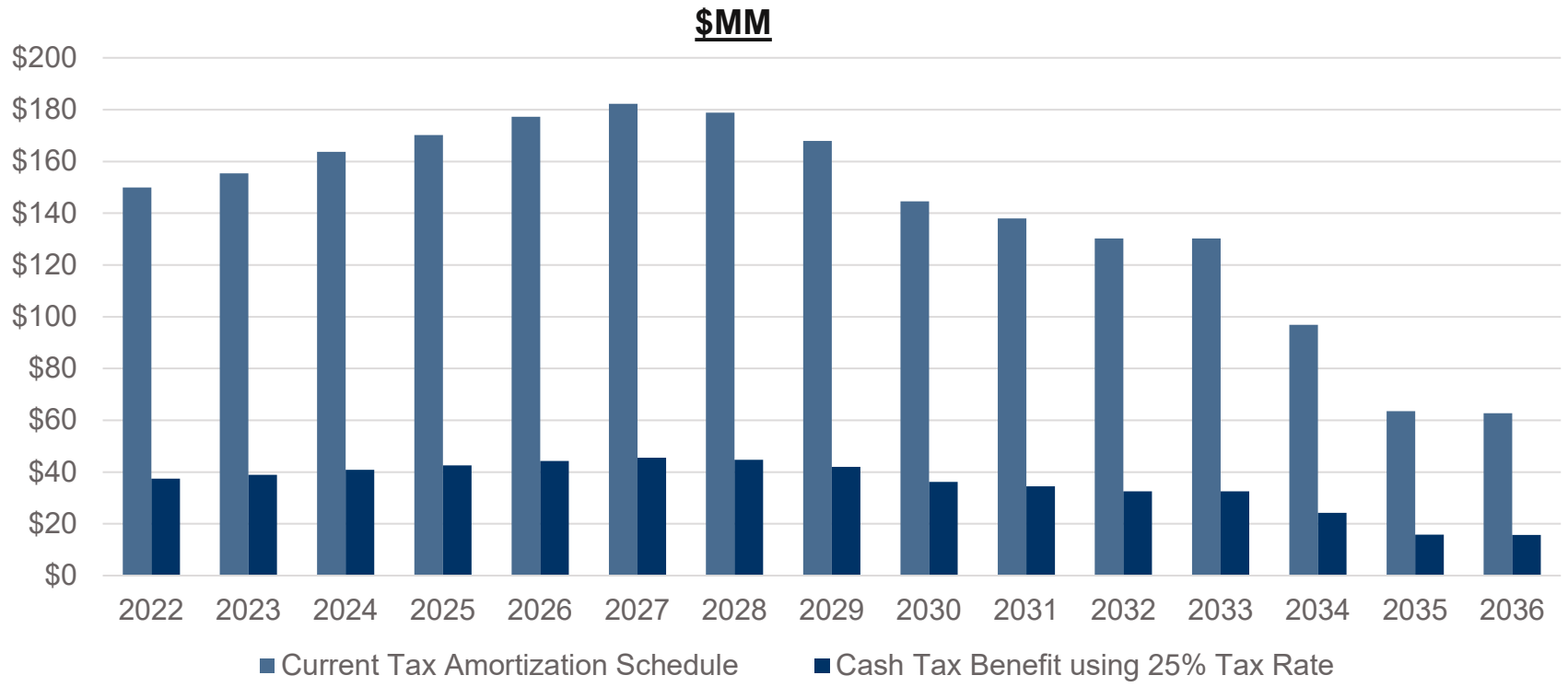


Appendix

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
  - $1.9 billion in total future tax amortization
  - **$490MM** in future cash tax savings, assuming 25% tax rate
  - **NPV $324MM, conservatively discounted at 7%, or >$4.73 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)				
	12/31/2021	**3/31/2022**	**6/30/2022**	**9/30/2022**	**12/31/2022**
GAAP Net income	**$ 69,742**	**$ 71,273**	**$ 79,205**	**$ 72,764**	**$ 52,269**
GAAP Income tax expense	(15,781)	(19,271)	(25,790)	(12,582)	(16,879)
GAAP income before taxes	**85,523**	**90,544**	**104,995**	**85,346**	**69,148**
Interest expense	5,328	8,724	9,499	10,795	12,006
Depreciation	1,746	1,954	2,102	2,030	1,959
Other business taxes	383	590	541	539	448
GAAP amortization of acquisition-related intangibles	3,638	8,656	8,656	8,657	9,191
Stock-based compensation	2,499	2,633	2,860	2,230	2,420
Acquisition, restructuring and exit costs	15,188	(844)	(24,033)	(7,842)	3,997
Debt issuance costs	532	2,061	1,560	1,064	935
Losses from equity method investments	104	57	9	759	-
Adjusted EBITDA	**$ 114,941**	**$ 114,375**	**$ 106,189**	**$ 103,578**	**$ 100,104**
Revenue (in thousands)	$ 229,122	$ 230,019	$ 216,006	$ 207,260	$ 201,515
Adjusted EBITDA Margin	**50.2%**	**49.7%**	**49.2%**	**50.0%**	**49.7%**

Consolidated Reconciliations of Adjusted Net Income

	For the three months ended,				
	(in thousands, except per-share data)				
	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
GAAP Net Income	**$ 69,742**	**$ 71,273**	**$ 79,205**	**$ 72,764**	**$ 52,269**
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Acquisition, restructuring and exit costs	15,188	(844)	(24,033)	(7,842)	3,997
Debt issuance costs	532	2,061	1,560	1,064	935
Tax effect of above adjustments	(5,560)	(3,274)	2,604	(1,163)	(4,247)
Adjusted Net Income	86,422	81,095	71,393	76,249	65,013
Tax benefit of goodwill and acquired intangibles	7,258	9,322	9,327	9,328	9,513
Adjusted Net Income with Tax Benefit	**$ 93,680**	**$ 90,417**	**$ 80,720**	**$ 85,577**	**$ 74,526**
Weighted average shares outstanding – diluted	73,973	73,652	72,867	71,877	70,685
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 1.27**	**$ 1.23**	**$ 1.11**	**$ 1.19**	**$ 1.05**

Detailed Reconciliation of Q4 '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	$ 156,346						$ –	$ 156,346		
Fund administration and distribution fees	45,169						-	45,169		
Total revenue	**201,515**	**-**	**-**	**-**	**-**	**-**	**-**	**201,515**		
Expenses										
Personnel compensation and benefits (1)	58,846	-	-	(2,420)	(3,104)	-	(5,524)	53,322		
Distribution and other asset-based expenses (2)	37,634	-	-	-	-	-	-	37,634		
General and administrative (2)	13,389	(448)	-	-	-	-	(448)	12,941		
Depreciation and amortization (2)	11,150	-	(9,191)	-	-	-	(9,191)	1,959		
Change in value of consideration payable for acquisition of business (2)	-	-	-	-	-	-	-	-		
Acquisition-related costs (2)	85	-	-	-	(85)	-	(85)	-		
Restructuring and integration costs (2)	808	-	-	-	(808)	-	(808)	-		
Total operating expenses	**121,912**	**(448)**	**(9,191)**	**(2,420)**	**(3,997)**	**–**	**(16,056)**	**105,856**		
Income/(loss) from operations	**79,603**	**448**	**9,191**	**2,420**	**3,997**	**–**	**16,056**	**95,659**		
Other income (expense)										
Interest income and other income/(expense) (3)	2,633						-	2,633		
Interest expense and other financing costs (3)	(13,327)					771	771	(12,556)		
Loss on debt extinguishment (3)	239					164	164	403		
Total other income (expense), net	**(10,455)**	**–**	**–**	**–**	**–**	**935**	**935**	**(9,520)**		
Income/(loss) before income taxes	**69,148**	**448**	**9,191**	**2,420**	**3,997**	**935**	**16,991**	**86,139**		
Income tax (expense)/benefit	(16,879)	(112)	(2,298)	(605)	(999)	(233)	(4,247)	(21,126)	9,513	
Net income/(loss)	**$ 52,269**	**$ 336**	**$ 6,893**	**$ 1,815**	**$ 2,998**	**$ 702**	**$ 12,744**	**$ 65,013**	**+ $ 9,513**	**= $ 74,526**
Earnings per share—basic	$ 0.77							$ 0.96	$ 0.14	
Earnings per share—diluted	$ 0.74							**$ 0.92**	**+ $ 0.13**	**= $ 1.05**
Weighted average shares outstanding—basic	68,054							68,054	68,054	
Weighted average shares outstanding—diluted	70,685							70,685	70,685	
Memo: Expenses										
Personnel (1)	58,846							53,322		
Operating (2)	63,066							52,534		
Non-Operating (3)	10,455							9,520		

Detailed Reconciliation of Q3 '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	$ 160,770						$ –	$ 160,770		
Fund administration and distribution fees	46,490						-	46,490		
Total revenue	**207,260**	**-**	**-**	**-**	**-**	**-**	**-**	**207,260**		
Expenses										
Personnel compensation and benefits (1)	56,869	-	-	(2,230)	(2,413)	-	(4,643)	52,226		
Distribution and other asset-based expenses (2)	39,019	-	-	-	-	-	-	39,019		
General and administrative (2)	12,301	(539)	-	-	-	-	(539)	11,762		
Depreciation and amortization (2)	10,686	-	(8,657)	-	-	-	(8,657)	2,029		
Change in value of consideration payable for acquisition of business (2)	(10,500)	-	-	-	10,500	-	10,500	-		
Acquisition-related costs (2)	189	-	-	-	(189)	-	(189)	-		
Restructuring and integration costs (2)	56	-	-	-	(56)	-	(56)	-		
Total operating expenses	**108,620**	**(539)**	**(8,657)**	**(2,230)**	**7,842**	**–**	**(3,584)**	**105,036**		
Income/(loss) from operations	**98,640**	**539**	**8,657**	**2,230**	**(7,842)**	**–**	**3,584**	**102,224**		
Other income (expense)										
Interest income and other income/(expense) (3)	(1,446)						-	(1,446)		
Interest expense and other financing costs (3)	(11,479)					785	785	(10,694)		
Loss on debt extinguishment (3)	(369)					279	279	(90)		
Total other income (expense), net	**(13,294)**	**–**	**–**	**–**	**–**	**1,064**	**1,064**	**(12,230)**		
Income/(loss) before income taxes	**85,346**	**539**	**8,657**	**2,230**	**(7,842)**	**1,064**	**4,648**	**89,994**		
Income tax (expense)/benefit	(12,582)	(135)	(2,164)	(558)	1,960	(266)	(1,163)	(13,745)	9,328	
Net income/(loss)	**$ 72,764**	**$ 404**	**$ 6,493**	**$ 1,672**	**$ (5,882)**	**$ 798**	**$ 3,485**	**$ 76,249**	**+ $ 9,328**	**= $ 85,577**
Earnings per share—basic	$ 1.06							$ 1.11	$ 0.14	
Earnings per share—diluted	$ 1.01							**$ 1.06**	**+ $ 0.13**	**= $ 1.19**
Weighted average shares outstanding—basic	68,609							68,609	68,609	
Weighted average shares outstanding—diluted	71,877							71,877	71,877	
Memo: Expenses										
Personnel (1)	56,869							52,226		
Operating (2)	51,751							52,810		
Non-Operating (3)	13,294							12,230		

Detailed Reconciliation of Q2 '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	$ 168,129						$ –	$ 168,129		
Fund administration and distribution fees	47,877						-	47,877		
Total revenue	**216,006**	**-**	**-**	**-**	**-**	**-**	**-**	**216,006**		
Expenses										
Personnel compensation and benefits (1)	57,582	-	-	(2,860)	(2,416)	-	(5,276)	52,306		
Distribution and other asset-based expenses (2)	40,868	-	-	-	-	-	-	40,868		
General and administrative (2)	13,921	(541)	-	-	-	-	(541)	13,380		
Depreciation and amortization (2)	10,758	-	(8,656)	-	-	-	(8,656)	2,102		
Change in value of consideration payable for acquisition of business (2)	(26,600)	-	-	-	26,600	-	26,600	-		
Acquisition-related costs (2)	143	-	-	-	(143)	-	(143)	-		
Restructuring and integration costs (2)	8	-	-	-	(8)	-	(8)	-		
Total operating expenses	**96,680**	**(541)**	**(8,656)**	**(2,860)**	**24,033**	**–**	**11,976**	**108,656**		
Income/(loss) from operations	**119,326**	**541**	**8,656**	**2,860**	**(24,033)**	**–**	**(11,976)**	**107,350**		
Other income (expense)										
Interest income and other income/(expense) (3)	(3,443)						-	(3,443)		
Interest expense and other financing costs (3)	(9,925)					806	806	(9,119)		
Loss on debt extinguishment (3)	(963)					754	754	(209)		
Total other income (expense), net	**(14,331)**	**–**	**–**	**–**	**–**	**1,560**	**1,560**	**(12,771)**		
Income/(loss) before income taxes	**104,995**	**541**	**8,656**	**2,860**	**(24,033)**	**1,560**	**(10,416)**	**94,579**		
Income tax (expense)/benefit	(25,790)	(135)	(2,164)	(715)	6,008	(390)	2,604	(23,186)	9,327	
Net income/(loss)	**$ 79,205**	**$ 406**	**$ 6,492**	**$ 2,145**	**$ (18,025)**	**$ 1,170**	**$ (7,812)**	**$ 71,393**	**+ $ 9,327**	**= $ 80,720**
Earnings per share—basic	$ 1.16							$ 1.04	$ 0.14	
Earnings per share—diluted	$ 1.09							**$ 0.98**	**+ $ 0.13**	**= $ 1.11**
Weighted average shares outstanding—basic	68,521							68,521	68,521	
Weighted average shares outstanding—diluted	72,867							72,867	72,867	
Memo: Expenses										
Personnel (1)	57,582							52,306		
Operating (2)	39,098							56,350		
Non-Operating (3)	14,331							12,771		

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		

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 December 31, 2022.

Past performance does not guarantee future results. A fund's most recent performance can be found at vcm.com. 72 mutual funds and ETFs did not have 4- or 5- star overall ratings or are not rated. 38% 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

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