Victory Capital and Amundi to Establish a Strategic Partnership

Amundi US to Combine into Victory Capital

April 16, 2024

Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “assume,” “budget,” “continue,” “estimate,” “future,” “objective,” “outlook,” “plan,” “potential,” “predict,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of Victory Capital (the “Company”) such as continued geopolitical uncertainty including the conflicts in Ukraine and Israel and its effect on our business, operations and financial results going forward, as discussed in Victory Capital’s filings with the SEC, that could cause Victory Capital’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements.

Although it is not possible to identify all such risks and factors, they include, among others, the following: the Memorandum of Understanding is non-binding and there is no certainty that the negotiations will result in definitive agreements or that the currently contemplated terms will not change; risks that the conditions to closing will be satisfied and the transaction will close on the anticipated timeline, if at all; risks associated with expected benefits, or impact on our business, of the proposed transaction, including our ability to achieve any expected synergies; reductions in AUM based on investment performance, client withdrawals, difficult market conditions and other factors such as a pandemic; the nature of the Company’s contracts and investment advisory agreements; the Company’s ability to maintain historical returns and sustain its historical growth; the Company’s dependence on third parties to market its strategies and provide products or services for the operation of its business; the Company’s ability to retain key investment professionals or members of its senior management team; the Company’s reliance on the technology systems supporting its operations; the Company’s ability to successfully acquire and integrate new companies; the concentration of the Company’s investments in long-only small- and mid-cap equity and U.S. clients; risks and uncertainties associated with non-U.S. investments; the Company’s efforts to establish and develop new teams and strategies; the ability of the Company’s investment teams to identify appropriate investment opportunities; the Company’s ability to limit employee misconduct; the Company’s ability to meet the guidelines set by its clients; the Company’s exposure to potential litigation (including administrative or tax proceedings) or regulatory actions; the Company’s ability to implement effective information and cyber security policies, procedures and capabilities; the Company’s substantial indebtedness; the potential impairment of the Company’s goodwill and intangible assets; disruption to the operations of third parties whose functions are integral to the Company’s ETF platform; the Company’s determination that Victory Capital is not required to register as an "investment company" under the 1940 Act; the fluctuation of the Company’s expenses; the Company’s ability to respond to recent trends in the investment management industry; the level of regulation on investment management firms and the Company’s ability to respond to regulatory developments; the competitiveness of the investment management industry; the level of control over the Company retained by Crestview GP; and other risks and factors listed under "Risk Factors" and elsewhere in the Company’s filings with the SEC.

Such forward-looking statements are based on numerous assumptions regarding Victory Capital’s present and future business strategies and the environment in which it will operate in the future. Any forward-looking statement made in this press release speaks only as of the date hereof. Except as required by law, Victory Capital assumes 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.

Executive Summary

Signed Memorandum of Understanding (MOU) with definitive agreement expected by end of Q2

- ***Victory Capital to form a long-term strategic partnership with Amundi through 15-year global and reciprocal distribution agreements***
- ***Amundi US to combine into Victory Capital***
- ***Amundi to become a strategic minority shareholder of Victory Capital***

1	**Establishment of a long-term strategic partnership with Amundi through 15-year global and reciprocal distribution agreements**	▪ **Allows Victory Capital to further expand distribution reach outside of US which would drive growth in assets and revenue** ▪ **Amundi's ownership would align economic interests**
2	**Amundi US to be combined into Victory Capital increasing AUM by $104 billion**	▪ **Adds size and scale** ▪ **Complementary investment capabilities** ▪ **Expands client base outside of US** ▪ **Further diversifies investment platform**
3	**Attractive Financial Profile**	▪ **Expected double-digit EPS accretion** ▪ **Annual expense synergies of $100 million expected** ▪ **Increases financial flexibility**

Non-binding Memorandum of Understanding at this stage, subject to due diligence and negotiation of definitive agreements. Definitive agreements will be subject to customary closing conditions and regulatory approvals. There can be no assurance that the parties will reach agreement on definitive documentation and, if entered into, that the transactions will be completed.

Transaction Overview and Rationale

1 Establishment of a long-term strategic partnership with Amundi through 15-year global and reciprocal distribution agreements

- **Amundi is a leading global asset management firm with $2.2 trillion of AUM**
  - Local presence in 35 countries
  - 1,000 third-party distributors in 20 countries
  - Serving 1,500 institutional clients and 100 million retail clients
  - 75% of AUM in Europe and approximately 20% of AUM in Asia
  - Largest European-based asset manager and a leading brand

- **Amundi would distribute Victory Capital's products through 15-year agreement**
  - Victory Capital to become the provider of US active asset management products to Amundi

- **Victory Capital would distribute Amundi's products in the US through 15-year agreement**
  - Amundi to become the provider of Non-US active asset management products managed outside US to Victory Capital

- **As a result of global distribution agreements, additional AUM and revenue growth is expected from expanded global distribution reach**

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Transaction Overview and Rationale

2 Amundi US to be combined into Victory Capital increasing AUM by $104 billion

- **$104 billion of AUM with complementary investment capabilities and global client base**
  - Outstanding long-term investment performance across platform
  - 75% of fund AUM rated 4/5 stars by Morningstar[1]
  - More than 100 investment professionals
  - Over 1/3 of AUM is outside of US
- **Diversifies Victory Capital's investment platform with the addition of its largest Investment Franchise**
- **Adds further scale and investment to Victory Capital's US intermediary distribution efforts**
- **Amundi US has a long, distinguished history and presents an opportunity to relaunch the Pioneer Investments brand**
- **Execution plan would be designed to minimize disruption to investment teams and clients, consistent with Victory Capital's historical approach**
- **Committed to maintaining a significant presence in Boston**

[1]*As of March 31, 2024*

Transaction Overview and Rationale

3 Attractive Financial Profile

- **Double digit EPS accretion expected**
- **Significant amount of synergies expected, similar to previous transactions onboarded onto Victory Capital's platform**
  - $100 million target of expense synergies
- **Upside through AUM and revenue growth with distribution agreements**
  - Over the past five years, Amundi US has had an average of more than $12 billion per year in gross flows from outside of US
  - Shapes the potential for existing Victory Capital products to be distributed outside of US
- **Increases financial flexibility through increase in size and reduced financial leverage**
- **Amundi to own a 26.1% economic stake[1]**
- **Two Amundi designees to be appointed to Victory Capital Holdings Board at closing**

[1]Comprised of 4.9% voting shares with remaining 21.2% in non-voting shares with the same economic rights as common shares.

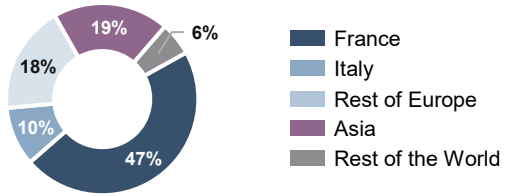
Long-term Strategic Partnership with Amundi

VictoryCapital®

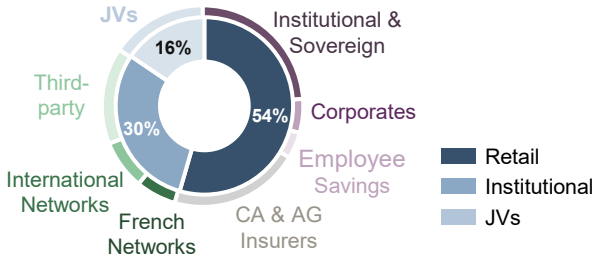
AMUNDI

- **$2.2 Trillion AUM**
  - Institutional 54% of AUM
  - Retail 30% of AUM
  - JV's 16% of AUM
- Local presence in 35 countries
- 1,500 institutional clients
- 100 million retail clients

AUM BY GEOGRAPHY



AUM BY CHANNEL



KEY PARTNER DISTRIBUTION NETWORKS

CRÉDIT AGRICOLE · SOCIETE GENERALE · UniCredit · Sabadell

KEY DISTRIBUTION JVs

SBI · NH Bank · 中国农业银行 AGRICULTURAL BANK OF CHINA · التجاري وفا بنك Attijariwafa bank

As of December 31, 2023

SIMILAR BUSINESS PRINCIPLES

- Long-term oriented
- Client focused
- Commitment to delivering competitive risk-adjusted returns for clients
- Similar business approach

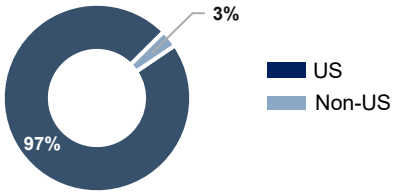
MUTUALLY BENEFICIAL RELATIONSHIP

- 15-year global and reciprocal distribution agreements
- Aligned interests through economic ownership
- Financially attractive transaction

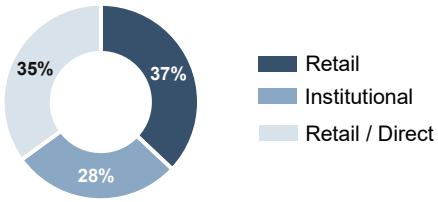
VICTORY CAPITAL

- **$175 billion AUM**
  - Retail 37% of AUM
  - Institutional 28% of AUM
  - Retail / Direct 35% of AUM
- Predominantly US client base
- Strong presence in all US distribution channels

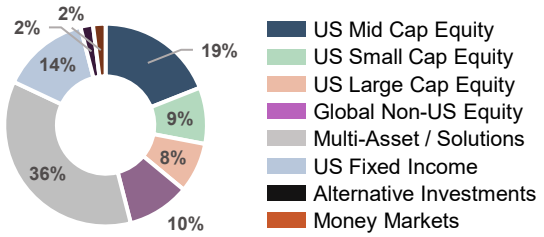
AUM BY GEOGRAPHY



AUM BY CHANNEL



AUM BY ASSET CLASS

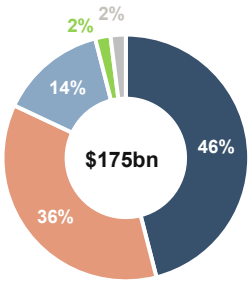


As of March 31, 2024

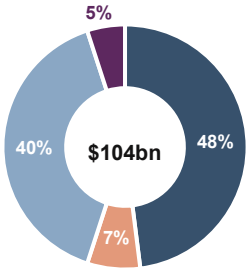
Proforma Highlights

Asset Class

VICTORY CAPITAL



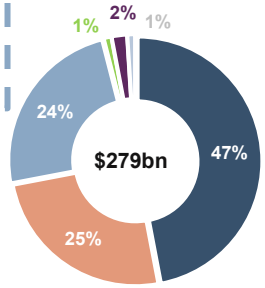
AMUNDI US



PRO FORMA VICTORY CAPITAL

Fixed Income ↑ 10%

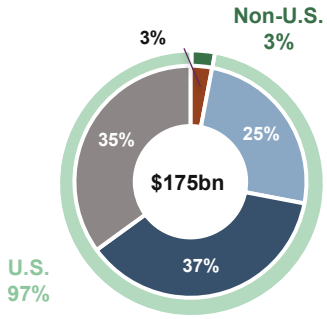
Total AUM ↑ 59%



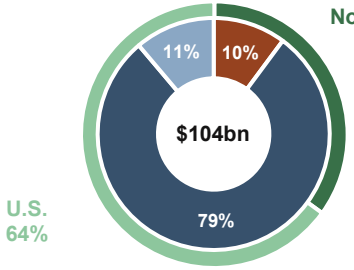
Equity | Multi Asset / Solutions | Fixed Income | Alternatives | Short-Term | Money Market

Client Type

VICTORY CAPITAL

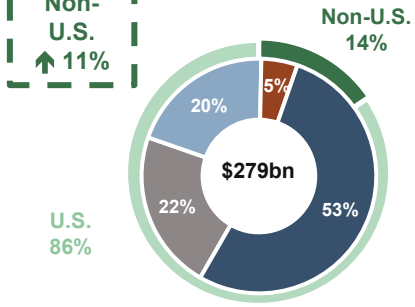


AMUNDI US



PRO FORMA VICTORY CAPITAL

Non-U.S. ↑ 11%



Retail | US Institutional | Non-US Institutional | Retail/Direct

Anticipated Timeline

Projected transaction timeline



Memorandum of Understanding

Expected Definitive Agreement by end of second quarter

Expected Transaction Close

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Contacts

Victory Capital	
Press contact:	**Investor contact:**
Jessica Davila	**Matthew Dennis, CFA**
Tel. +1 210-694-9693	Tel. +1 216-898-2412
Jessica_davila@vcm.com	mdennis@vcm.com

Notes and Disclosures

Investing involves risk, including the potential loss of principal. There are no assurances that any fund or strategy will achieve its stated objective. Past performance does not guarantee future results. Carefully consider a fund's investment objectives, risks, charges and expenses before investing. Read the Fund's prospectus carefully before investing.

25% of Amundi US Fund AUM did not receive a rating of 4 or 5 stars or are not rated. Ratings are based on institutional share classes. 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.