

Market Environment

International equities moved broadly higher, with the positive direction of policy stimulus measures setting the tone. For the quarter, the MSCI EAFE (Europe, Australasia and Far East) Index was up 7.3%, while the Trivalent International Developed Equity strategy slightly underperformed the benchmark. Regions were all positive and were led by Asia Pacific ex Japan, up 14.3%. An aggressive combination of monetary and fiscal stimulus by China to counter a weakening consumer boosted the outlook for surrounding economies. Denmark, down 10.3%, and the Netherlands, down 4.5%, were the only negative markets, both dragged down by pullbacks in big performers from the first half. Megacaps Novo Nordisk and ASML declined 18.2% and 19.3%, respectively. The best performing countries were those most exposed to the improved outlook for the Chinese economy. Hong Kong rose 24.4% and Singapore gained 17.6%.

Nine of the eleven economic sectors were positive in the quarter. In addition to China, the influential U.S. Federal Reserve took its first step in easing policy with a 50-basis-point rate cut. The most rate-sensitive sectors of Real Estate and Utilities were the best performers, rising 17.2% and 14.9%, respectively. Energy was the worst performing sector, down 5.8% as the price of Brent crude oil futures declined 13.5% on concerns that production increases are outpacing demand. Information Technology declined 2.4% as the semiconductor industry outlook softened slightly from the extreme optimism surrounding the growth in generative AI-related chip production.

Portfolio Review

Overall security selection was slightly negative and was more than offset by slightly positive sector allocation from a 0.9% overweight to Real Estate. Excess returns were generated in three of four regions and five of the eleven economic sectors. From a style perspective, the strategy's overall exposure to value was positive, while exposures to quality and business momentum had a slightly negative impact.

Security selection was strongest in the Utilities sector. U.K. biomass utility Drax Group was higher as the company reported strong first-half results and commented on positive discussions around new and existing projects with the recently elected U.K. government. Selection was also positive in the Communication Services and Industrials sectors. Within Communication Services, Japanese video game developer Konami rose on strong sales of its mainstay eFootball game. Within Industrials, Japanese manufacturer Mitsubishi Heavy Industries was boosted by increasing demand outlooks for both electric power-generating turbines and defense-related equipment. Australian-listed Brambles, the operator of the global shipping pallet service CHEP, rose as the outlook for margins was increased on improved capital management.

Security selection was weakest in the Health Care sector. Global pharmaceutical giant Novo Nordisk declined on concerns over the impact of emerging competitive threats to its blockbuster weight-loss treatments. Contract clinical research service provider ICON

plc declined on investor concern over large-cap pharma funding variability and biotech timelines. Within Information Technology, the Japanese semiconductor equipment company Disco declined on weaker sentiment toward demand for high-bandwidth memory used in generative AI-related processors. In Financials, Japanese megabank Sumitomo Mitsui Financial Group declined on weakening confidence regarding additional rate hikes by the Bank of Japan.

Market Outlook

Investor sentiment continues to steadily improve as more central banks adopt a cautious easing stance in response to favorable inflation data. The Federal Reserve cut the federal funds rate for the first time in four years, aiming to strike a delicate balance between achieving a soft landing and preserving stability in the labor market. In the Eurozone, inflation has fallen below the European Central Bank's target for the first time since 2021, raising the chances of another quarter-point rate cut before year-end. Bank lending in the region is gaining momentum, driven by rising consumer confidence. In Japan, corporate governance reforms and a long-term focus on shareholder returns continue to provide structural support for the equity market. Recent dovish remarks from newly elected Prime Minister Shigeru Ishiba suggest the Bank of Japan may hold off on further rate hikes after taking a step toward policy normalization with its first hike in 17 years. On the commodities front, the escalating Israel-Hamas conflict poses a greater threat to stability in the Middle East and could lead to higher oil prices. A recently more aggressive stance from Chinese policymakers could also backstop demand. Volatility in the fourth quarter may increase as investors turn their attention to the U.S. election and its potential influence on key economic policies, including trade tariffs and corporate taxes. From a valuation standpoint, international equities are still trading at earnings multiples slightly below historical averages and at an attractive discount relative to U.S. peers. We continue to be guided by our bottom-up analysis and will digest upcoming earnings and outlook statements to evaluate our positioning. We believe opportunities for relative outperformance remain, particularly among the diverse and broad segment of international equities.

Representative Account Top 5 Contributors* (%)	Contribution to Relative Return
KONAMI Group Corporation	0.37
Mitsubishi Heavy Industries, Ltd.	0.34
Marks and Spencer Group plc	0.34
Deutsche Telekom AG	0.26
Industria de Diseno Textil, S.A.	0.25

Representative Account Top 5 Detractors* (%)	Contribution to Relative Return
Novo Nordisk A/S Class B	-0.72
Disco Corporation	-0.34
ASML Holding NV	-0.32
Stellantis N.V.	-0.17
Mitsui & Co., Ltd.	-0.17

Source: FactSet.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines, and other factors. The representative account is believed to most closely reflect the current portfolio management style. Holdings are as of quarter end and may change at any time. This material should not be construed as a recommendation to buy or sell securities.

Representative Account Top 10 Holdings	Country	Sector
Novo Nordisk A/S Class B	Denmark	Health Care
Novartis AG	Switzerland	Health Care
Itochu Corporation	Japan	Industrials
Deutsche Telekom AG	Germany	Communication Services
Siemens Aktiengesellschaft	Germany	Industrials
ASML Holding NV	Netherlands	Information Technology
Holcim Ltd.	Switzerland	Materials
National Australia Bank Limited	Australia	Financials
Sumitomo Mitsui Financial Group, Inc.	Japan	Financials
Industria de Diseno Textil, S.A.	Spain	Consumer Discretionary
Total % of Portfolio		17.88%

ANNUALIZED RETURNS

Composite Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception 9.1.07
Trivalent International Developed Equity (Gross)	7.00	15.44	26.43	6.56	8.85	6.56	4.10
Trivalent International Developed Equity (Net)	6.84	14.93	25.68	5.92	8.19	5.85	3.49
MSCI EAFE Index (Net)	7.26	12.99	24.77	5.48	8.20	5.71	3.53

DISCLOSURES

All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class.

Past performance cannot guarantee future results. Returns for periods greater than one year are annualized. Returns are expressed in U.S. dollars. Composite and benchmark returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting one-twelfth of the highest tier of the standard fee schedule in effect for the period noted (the model fee). The composite model fee for each period is either the highest tier of the current fee schedule or a higher value, whichever is required to ensure the model composite net-of-fee return is lower than or equal to the composite net-of-fee return calculated using actual fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part 2A of its Form ADV.

The Trivalent International Developed Equity Composite includes all fee paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Trivalent International Developed Equity strategy. The strategy focuses on foreign companies that are characterized by improving business momentum and attractive valuations. The benchmark is the MSCI EAFE Index (Net). The composite creation date is September 2007.

The MSCI EAFE Index measures the performance of large- and mid-cap stocks in the developed markets, excluding the U.S. and Canada. The index covers approximately 85% of the free-float-adjusted market capitalization in each country.

Index returns are provided to represent the investment environment during the periods shown. Index returns reflect the reinvestment of dividends and capital gains but do not include advisory fees, transaction costs, or other expenses. One cannot invest directly in an index.

Holdings do not include cash, money market instruments, options or futures.

The representative account serves as the model against which each Trivalent International Developed Equity Strategy account is managed. The representative account is an actual portfolio and the information provided, including performance, will vary for other accounts. The representative account is being used solely as a tool to help demonstrate how performance can be attributed to the investment policies applied in the management of the Trivalent International Developed Equity Strategy.

The information in this article is based on data obtained from recognized services and sources and is believed to be reliable. Any opinions, projections, or recommendations in this report are subject to change without notice and are not intended as individual investment advice. A complete list of all holdings for the previous 12 months, each holding's contribution to the strategy's performance, and the calculation methodology used to determine the holdings' contribution to performance is available on request. Victory Capital Management Inc., and its affiliates, as agents for their clients, and any of its officers or employees, may have a beneficial interest or position in any of the securities mentioned, which may be contrary to any opinion or projection expressed in this report. This information should not be relied upon as research or investment advice regarding any security in particular.

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*Contributors and Detractors Source: FactSet. The top contributors and detractors are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. Holdings are as of quarter end and may change at any time.

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