VictoryCapital®

William Blair
38th Annual Growth Stock Conference
June 14, 2018

David Brown
Chairman and Chief Executive Officer

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. 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.

Presenter

David C. Brown
Chairman and Chief Executive Officer

David C. Brown is Chairman and Chief Executive Officer of Victory Capital. In this role, he is responsible for the development, execution and oversight of firm strategy. He also serves as Chairman of the Board of Directors for Victory Capital Holdings, Inc. and is a trustee for The Victory Funds. He joined the firm in 2004 and held multiple senior-level positions, including President and Chief Operating Officer, prior to his current role.

Previously, Mr. Brown spent five years at Gartmore Global Investments in a number of senior management positions, including Chief Financial Officer and Chief Operating Officer of Gartmore Emerging Managers, LLC. Earlier in his career, he worked for Ernst & Young as a manager in the Assurance & Advisory Business Services unit focusing on investment management businesses.

Mr. Brown holds a Bachelor of Arts degree from Ursinus College and a Master of Business Administration degree from Case Western Reserve University. He is a Certified Public Accountant. He serves on the Board of Directors of Cerebellum Capital. Additionally, he is a member of the Bluecoats, Inc. of Cuyahoga County, a former member of the Summa Health Systems of Ohio Investment Committee and previously served on the Board of Directors for JumpStart Ohio. He was also selected as a “40 Under 40” award winner by Crain’s Cleveland Business.

VictoryCapital®

Our Commitment

As a next generation, integrated multi-boutique investment management firm, Victory Capital connects the right talent with the right resources in the right environment. Our investment professionals are empowered to be their best. Unique talents are amplified. And our energies are focused on what really matters – helping our clients meet their goals.

Build Trust

We go to great lengths to fulfill our commitments and we work hard to do the right thing for our clients.

Respect Autonomy

We value independent decision-making and respect the autonomy of each of our Investment Franchises and Solutions Platform.

Invest Personally

We are invested in our clients' success. We demonstrate that commitment by investing our time, energy and our own assets in our strategies.

Create Alignment

We work together toward a common objective – helping our clients to achieve their goals. We have approximately $100MM[1] invested in our own products.

[1] Reflects amount invested by employees as of December 31, 2017

Victory Capital at a Glance

Who We Are

- Operate a next generation business model: The Integrated Multi-Boutique
- $60.9Bn of AUM as of 3/31/2018
- One Company: 9 well-diversified specialist Investment Franchises and Solutions Platform
- 113 investment professionals,13 offices globally (10 within the U.S. and 3 outside of the U.S.)
- Employee and Crestview-led MBO, three successful acquisitions and a strategic minority investment
- IPO, February 2018

VictoryCapital

What We Offer

- Differentiated and focused products for retail and institutional clients
  - » Wide spectrum of market caps, investment styles and strategies
  - » 72 investment strategies
- Scaled client service
  - » Broad, deep and centralized distribution / marketing functions
  - » 96 sales / marketing professionals

How We Operate

- Integrated Multi-Boutique model supports Franchises and Solutions Platform
  - » Scaled distribution, marketing and operational platform
  - » Allows investment professionals to focus primarily on investing
  - » Centralized, not standardized support
- Focus on asset classes and investment approaches with higher likelihood of value add
- Culture of incentivizing long-term thinking driven by an ownership mentality

Note: Data as of March 31, 2018

Our Differentiated Integrated Model Delivers Significant Structural Advantages

Victory Capital's Integrated Multi-Boutique Model Has Significant Advantages…

Low ---------------------------------- *Level of integration* ---------------------------------- *High*

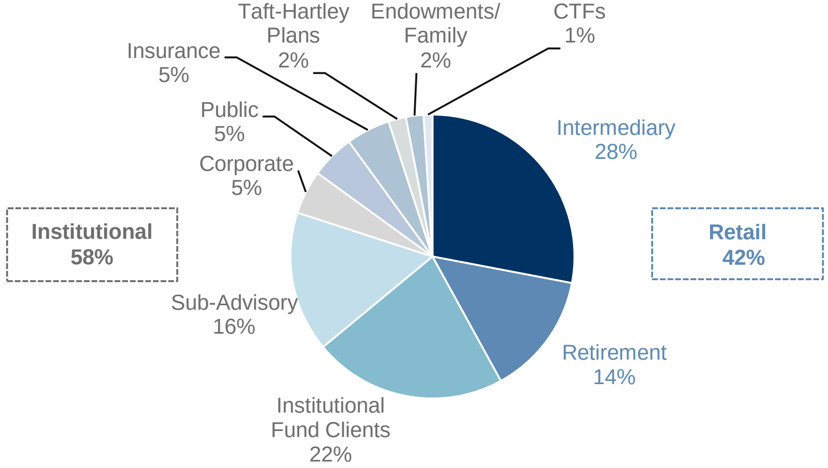
	Multi-Boutique	VictoryCapital	*Fully Integrated*
Brand	Independent brands	**Independent brands**	Single
Investment process	Autonomous	**Autonomous**	Centralized
Distribution and marketing	Non-centralized	**Centralized**	Centralized
Operations and back office	Non-centralized	**Centralized** (not standardized)	Centralized

… And Is Exceptionally Well-Positioned for M&A

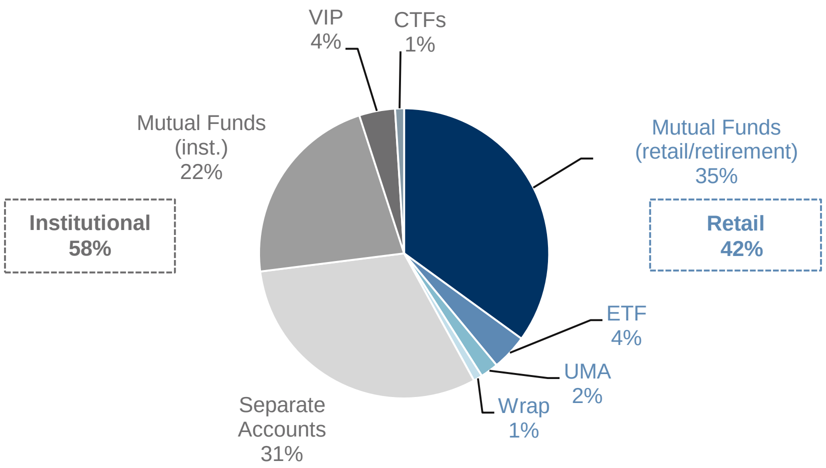
	Multi-Boutique	VictoryCapital	Fully Integrated
Preserve investment culture	✓	✓	✗
Synergies	✗	✓	✓

Diversified Platform Across Asset Classes, Investment Strategies, Client Types and Investment Vehicles

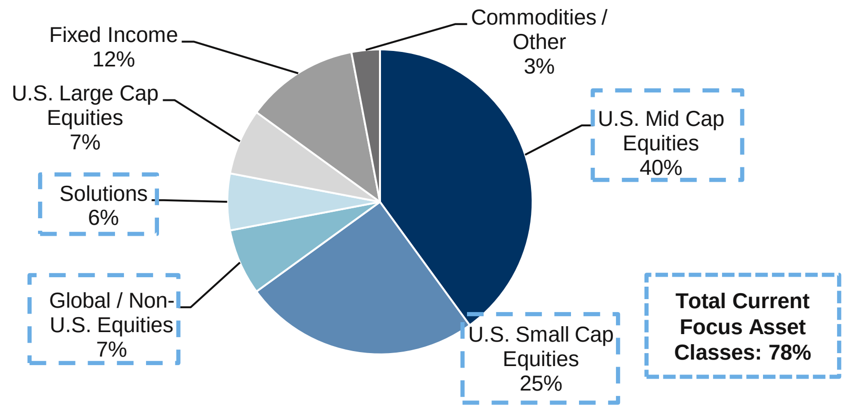
Diverse Institutional and Retail Client Base…



…Served by a Variety of Investment Solutions…



…Across a Broad Range of Asset Classes



Note: Data as of March 31, 2018

Commitment to Long-Term Investment Performance Recognized by the Market

VictoryCapital

MORNINGSTAR™

23 *Victory Mutual Funds and ETFs with 4- or 5-Star overall ratings*

69% *Victory Mutual Fund and ETF AUM with 4- or 5-Star overall ratings*

Percentage of AUM that has outperformed its benchmark:

87% *Over a one-year period*

71% *Over a three-year period*

83% *Over a five-year period*

79% *Over a ten-year period*

Barron's / Lipper Fund Family Rankings

4 *Consecutive years in the Top 25 Fund Families*

#10 *Overall ranking for 2017*

#21 *Overall ranking for 2016*

#25 *Overall ranking for 2015*

#15 *Overall ranking for 2014*

EVESTMENT®

*Institutional Brand Awareness**

#4 *Among managers $50-$100B in 2017*

#4 *Among managers $50-$100B in 2016*

#1 *Among managers $25-$50B in 2015*

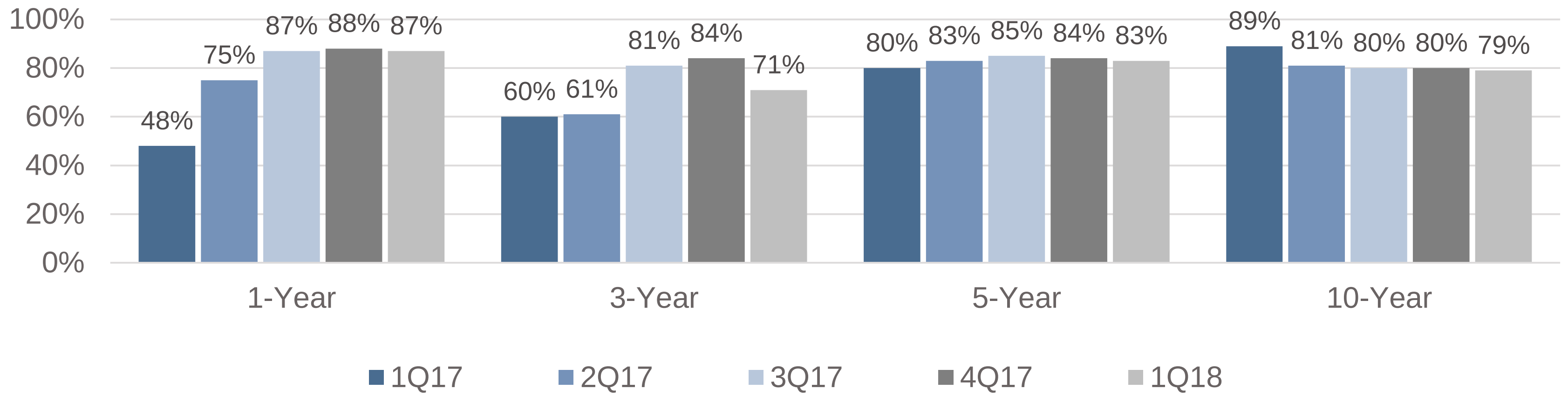
Notes: 26 mutual funds and ETFs did not have 4 or 5 star overall ratings. 31% of AUM in mutual funds and ETFs did not receive overall rating of 4 or 5 stars. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.

Data as of March 31, 2018

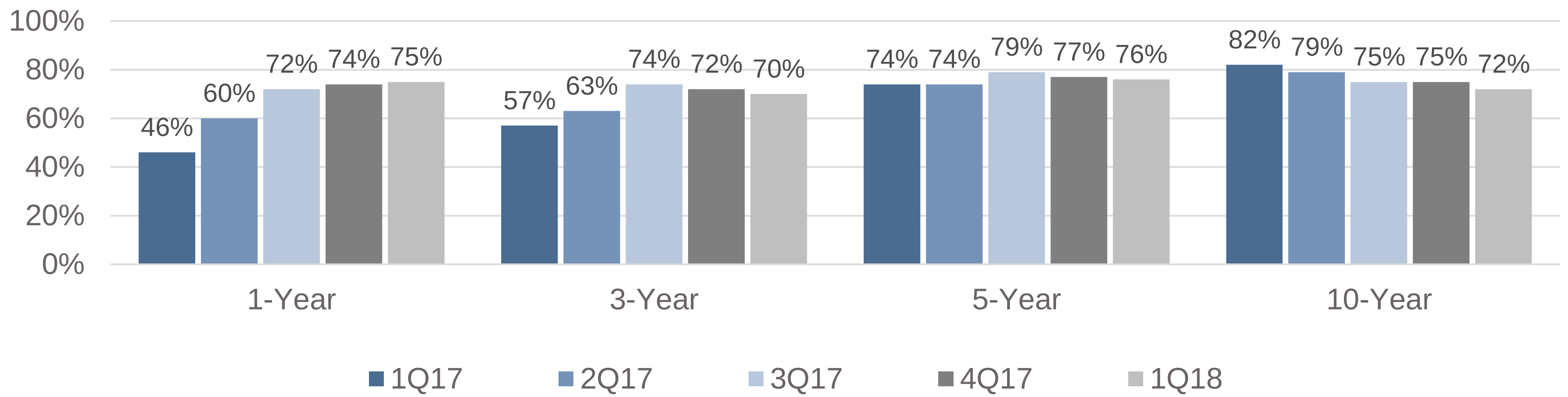
**eVestment ,The Importance of Brand Awareness, updated January 2018*

Long-term Outperformance Over Benchmarks

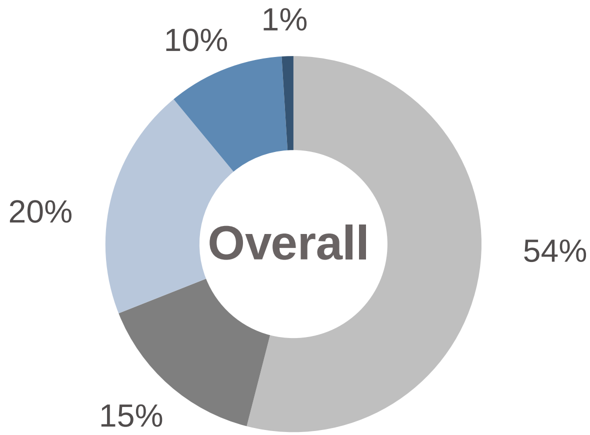
Percentage of AUM that have outperformed benchmark



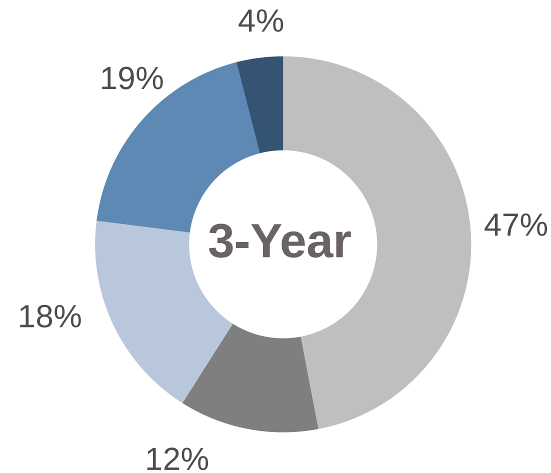
Percentage of strategies that have outperformed benchmark



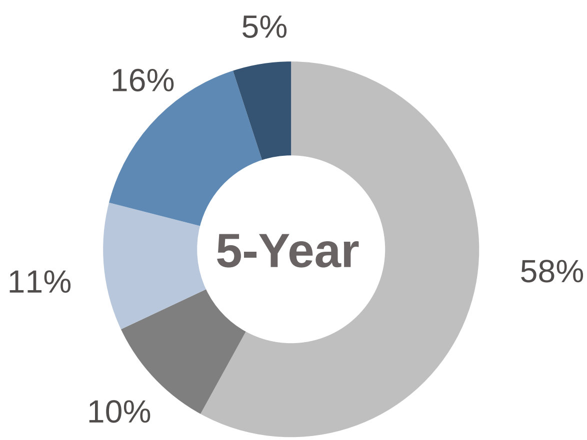
69% of AUM Ranked 4- or 5- Star Overall by Morningstar



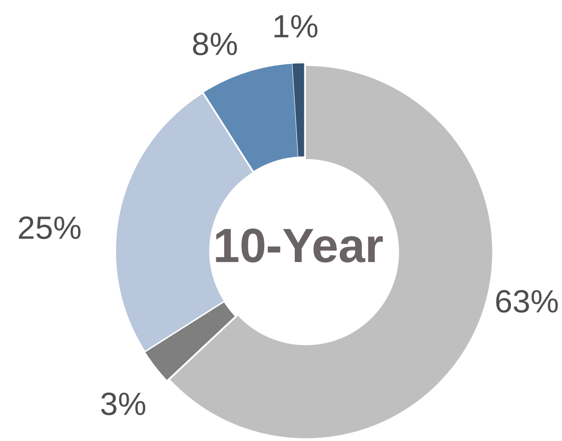
4/5 Star = 69%



4/5 Star = 59%



4/5 Star = 68%



4/5 Star = 66%

5-Star 4-Star 3-Star 2-Star 1-Star

Notes: Percentages of mutual fund and ETF AUM not receiving 4 or 5 star ratings: 31% for overall period, 41% for 3 years, 32% for 5 years and 34% for 10 years. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.

Data as of March 31, 2018

Committed to Focus Asset Classes With Significant Additional Capacity

ASSET CLASS	KEY FRANCHISES	# OF 4- OR 5-STAR FUNDS	4- OR 5-STAR EXCESS CAPCITY
Solutions	VictoryShares Solutions Platform	6 of 9	$62bn
Global/Non-U.S. Equities	Trivalent Investments, RS Investments, Sophus Capital, Expedition Investment Partners	6 of 7	$33bn
U.S. Mid Cap Equities	Sycamore Capital, RS Investments, Integrity Asset Management, Munder Capital Management	2 of 7	$12bn
U.S. Small Cap Equities	Sycamore Capital, RS Investments, Integrity Asset Management, Munder Capital Management	5 of 6	$9bn
	Total	**19 of 29**	**$116bn**

Significant additional capacity in high performing products provides runway for future organic growth

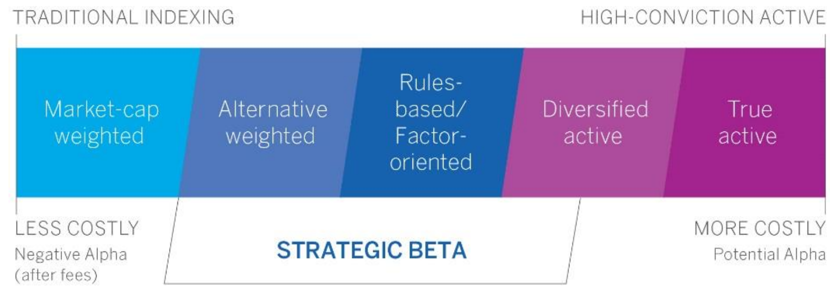
Notes: Number of mutual funds or ETFs not receiving 4 or 5 star ratings: 3 for Solutions, 1 for Global/Non-U.S. Equities, 5 for U.S. Mid Cap Equities and 1 for U.S. Small Cap Equities. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.
Morningstar data as of March 31, 2018

Exemplified by Strong Expansion in Hybrid, Solutions Investing Capabilities

VictoryShares®

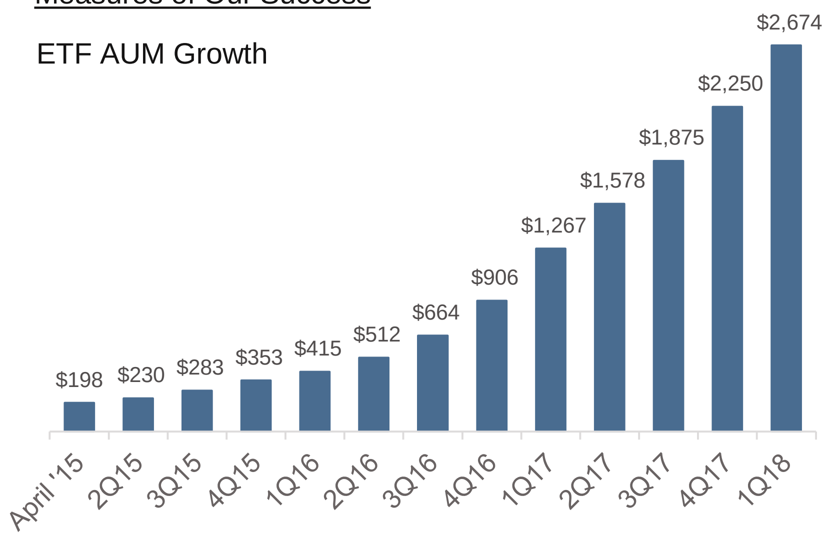
- 71% Market Share Increase YoY
- Rank 34th of 136 ETF Issuers for 1-year net flows / assets
- 20th in Net Flows
- 27th in Overall ETF AUM out of 136 funds
- $198MM acquisition AUM (April '15)→ $2.7Bn 3/31/18
- 5 ETFs with AUM over $100MM and 2 ETFs with AUM over $500MM
- 2nd fastest-growing ETF provider with more than $1Bn AUM
- 3 ETFs are rated 5 stars by Morningstar for both the Overall and 3-year time periods
- VictoryShares product net fees ~30 to 45bps

Product Vision for VictoryShares



Measures of Our Success

ETF AUM Growth



Notes: As of March 31, 2018, the ETFs were rated against 1,204 and 1,086 funds in the Large Blend Category and Large Value Category for the Overall and 3-year periods and received 5 star ratings, respectively. Ratings are based on risk-adjusted returns. Investing involves risk, including the potential loss of principal.

Source for rankings and market share data: Morningstar Direct as of March 31, 2018

Proven M&A Playbook and Compelling Value Proposition for Potential Targets

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Clear and Thoughtful M&A Criteria…

1. Add High Quality Investment Teams in Targeted Asset Classes
2. Enhance Growth and Financial Profile
3. Improve Victory Capital's Diversification by Asset Class or Investment Strategy
4. Achieve Integration and Synergy Targets
5. Expand and Enhance Distribution Capabilities
6. Optimize Business Operating Platform

… And Compelling Value Proposition for Investment Managers

Retention of Brand and Investment Process	Primary Focus on Investing	Centralized Customizable Operational Platform	Scalable Distribution and Marketing	Consistent Structural Alignment of Incentives

True integrator approach has resulted in successful transitions onto platform with ~$77mm[1] of net annualized expense synergies generated from our three acquisitions

[1] *As of March 31, 2018*

A Broad Opportunity Set Yet to Execute

VictoryCapital

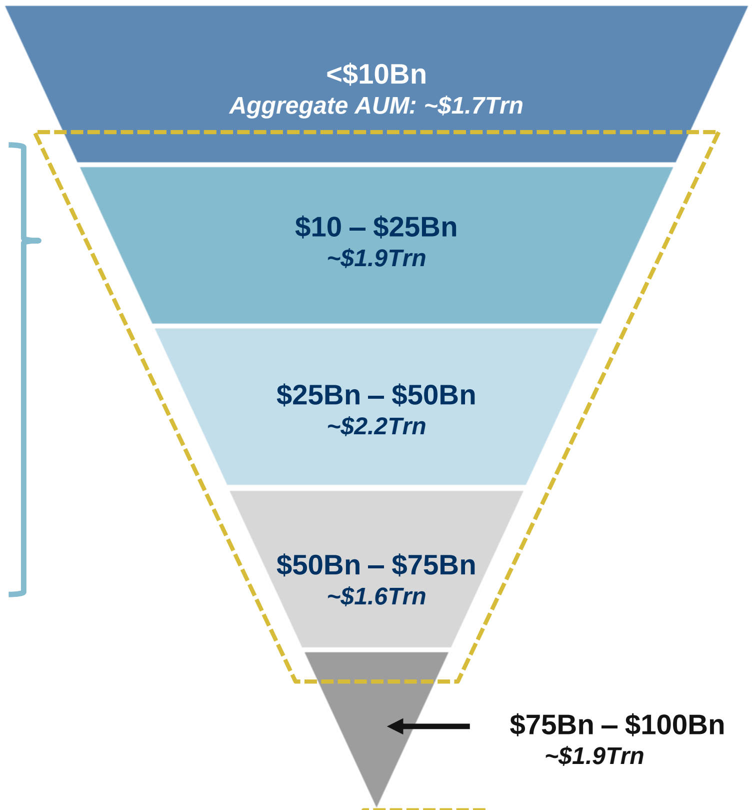
Prior Transformative Transactions

VictoryCapital
MBO
(2013)

MUNDER Capital Management
(2014)
~100% of VCM AUM at time of announcement

RS Investments
(2016)
~50% of VCM AUM at time of announcement

U.S. Investment Firms by AUM



$75Bn – $100Bn
~$1.9Trn

Focus area: ~$5.8Trn AUM

Total: ~$9.3Trn AUM

Other Transactions

CEMP Redefining Indexing
(2015)

CEREBELLUM CAPITAL
(2016, 2018)

Track record of successful execution and focus on top performing firms that will benefit from Integrated Multi-Boutique model

Source: Based on Strategic Insight's Simfund database and Investment Metrics' InvestWorks database available data as of December 31, 2017.

Economic and Structural Alignment of Interests Promotes Owner-Centric Culture

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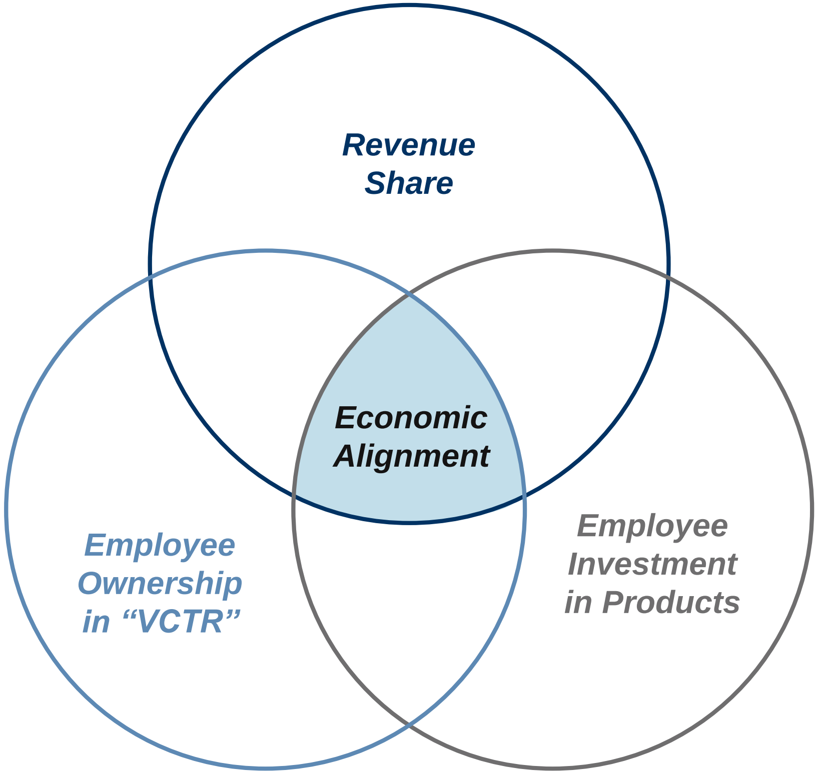
Key Elements of Economic Alignment



Structural and Cultural Benefits

- ✓ Promotion of long-term, ownership-driven mentality across investment teams
- ✓ Incentivizes and empowers employees to act in the best interest of the Company
- ✓ Aligns economic interests through market cycles
- ✓ Offers meaningful wealth creation opportunity
- ✓ Strong tool for attracting and retaining talent and is a differentiator when pursuing acquisitions
- ✓ Aids succession planning

Victory Capital's economic alignment fosters a culture focused on the Company's long-term success and growth

We Have a Growth Strategy Built on Both Organic and Inorganic Capabilities

VictoryCapital

Organic

- Focus on Specialized Asset Classes with Potential for Strong Alpha Generation
- Drive Operating Leverage from Our Centralized Distribution/Marketing Platform
- Enhance our Differentiated Platform
- Broaden and Deepen Hybrid, Solutions Investing Capabilities Through our ETF Platform

Grow our Franchises and Solutions Platform and enhance platform capabilities

Inorganic

- Identify Cultural Fit
- Focus on Asset Classes/Channels Where We Can Succeed
- Enhance Acquisitions with our Operating Knowledge
- Create Value Through Synergies
- Proven Acquirer

Acquire select, compatible and diversified capabilities

Value Creation

Appendix

First Quarter Results

VictoryCapital

INVESTMENT PERFORMANCE

- 87% of AUM outperformed benchmarks over the trailing one-year, 71% over the trailing three-year, 83% over the trailing five-year, 79% over the trailing 10-year
- 75% of our strategies outperformed benchmarks over the trailing 1-year, 70% over the trailing 3-year, 76% over the trailing 5-year, 72% over the trailing 10-year
- 69% of AUM in mutual funds and ETFs rated 4 or 5-stars overall by Morningstar, 59% over three years, 68% over five years, 66% over 10 years

AUM AND FLOWS

- AUM at March 31, 2018 was $60.9Bn, down 1.5% from year end levels of $61.8Bn
- Market action of ($275MM) and Net flows of ($633MM)

FINANCIAL RESULTS

- $105.0MM Revenue, compared to $105.6MM in 4Q17
- $0.16 GAAP earnings per diluted share, compared to $0.19 per diluted share in 4Q17
- $0.40 Adjusted Net Income with tax benefit per diluted share comprised of $0.35 per diluted share in Adjusted Net Income and $0.05 per diluted share in tax benefit, compared to $0.39 per diluted share in the 4Q17 comprised of $0.30 per diluted share in Adjusted Net Income and $0.09 per diluted share in tax benefit
- 26.0% GAAP Operating margin, compared to 25.5% in the prior quarter
- 37.9% Adjusted EBITDA margin, compared to 37.9% in the prior quarter

CAPITAL MANAGEMENT

- Execution of concurrent $167MM IPO and $360MM debt refinancing
- Ratings upgrades from Moody's (Ba3) and S+P (BB)
- Ended quarter with $323MM debt outstanding after pre-payment activity
- Subsequent to quarter-end:
  - Pre-payments of $18MM reducing debt outstanding to $305MM
  - Upsized credit revolver from $50MM to $100MM

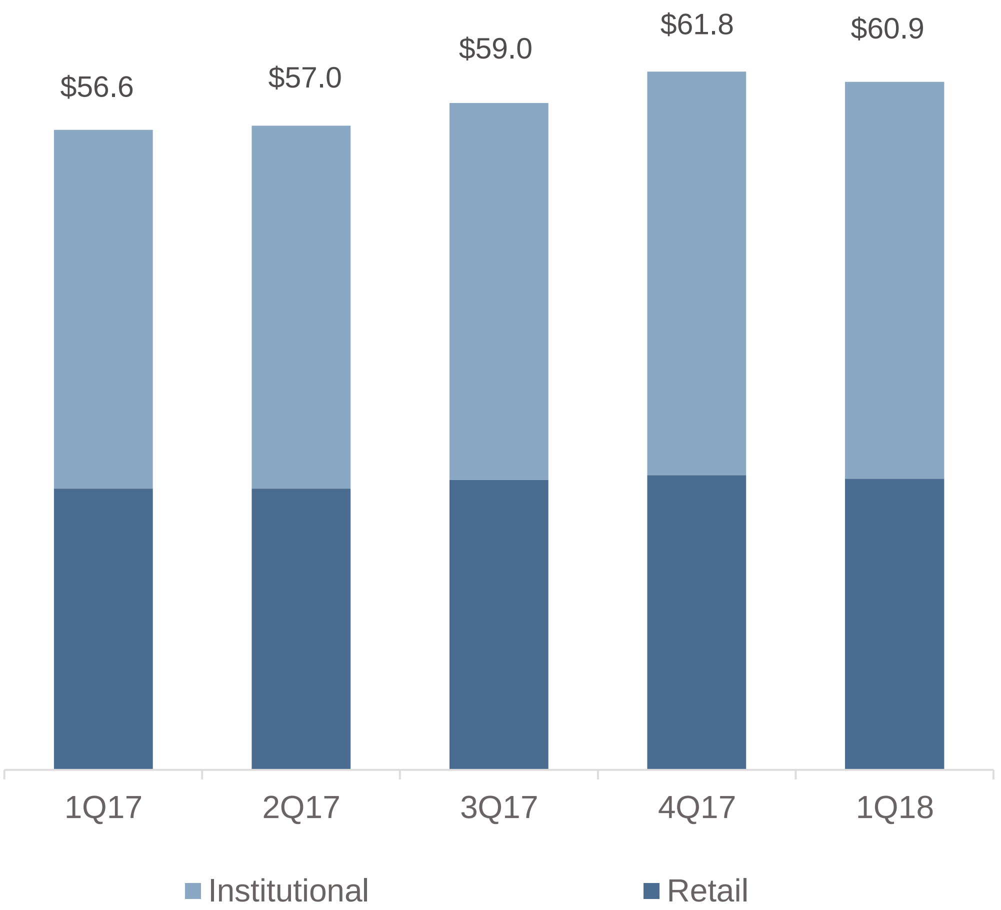
Notes: Adjusted measures are non-GAAP financial measures. An explanation of these non-GAAP financial measures is provided in the Notes and Disclosures at the end of this presentation

Assets Under Management (End of Period)

Commentary:

- 8% YoY AUM growth
- Decline in 1Q18 AUM levels driven by net outflows and market action
- 58% Institutional and Retail 42% AUM split as of 3/31/18

Quarterly Results ($Bn)



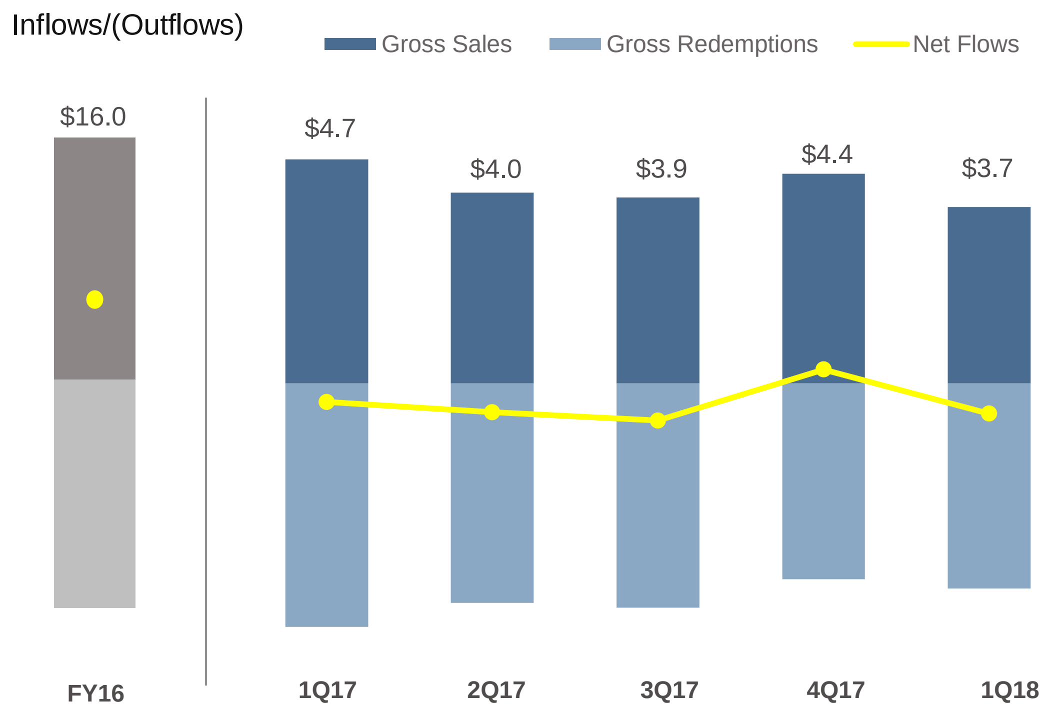
Notes: The allocation of assets under management sourced through particular distribution channels involves estimates and the exercise of judgment.

Asset Flows

Commentary:

- Gross sales decreased 16% QoQ to $3.7Bn; 4Q17 had sizeable US Mid Cap mandate
- LTM Gross sales of $15.9Bn
- 1Q18 Net flows of ($633MM) included:
  - ETFs: +$452MM
  - Mutual Funds ($640MM)
  - Separate accounts and Other ($445MM)
  - Positive net flows in Solutions, Global / Non-US, Other

Quarterly Results ($Bn)



Operating Metrics	FY16	1Q17	2Q17	3Q17	4Q17	1Q18
Gross Sales (%)	38.8%	8.6%	7.0%	6.8%	7.4%	6.0%
Net Flows ($MM)	$875	-$386	-$601	-$778	$294	-$633
Net Flows (%)	2.4%	-0.7%	-1.1%	-1.4%	0.5%	-1.0%
Focus Asset Class*						
Gross Sales (%)	50.6%	10.2%	8.2%	7.7%	8.5%	6.4%
Net Flows ($MM)	$3,674	$419	$176	-$490	$829	-$271

Notes: FY16 Gross Sales (%) and Net Flows (%) have been normalized for the RS acquisition which closed on July 29, 2016.
*Includes Victory funds and Strategies in the U.S. Small Cap Equity, U.S. Mid Cap Equity and Global/Non-U.S. asset classes as well as the Solutions Platform

Revenues

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Commentary:

- 4% YoY Revenue growth reflecting higher average AUM levels
- 10% YoY Avg AUM growth
- 5% YoY Avg Fee Rate decrease driven by asset mix shift
- Sequential decrease of ($0.5MM) reflects higher average AUM offset by lower average fee rate due to AUM composition and two fewer days in quarter

Quarterly Results ($MM)

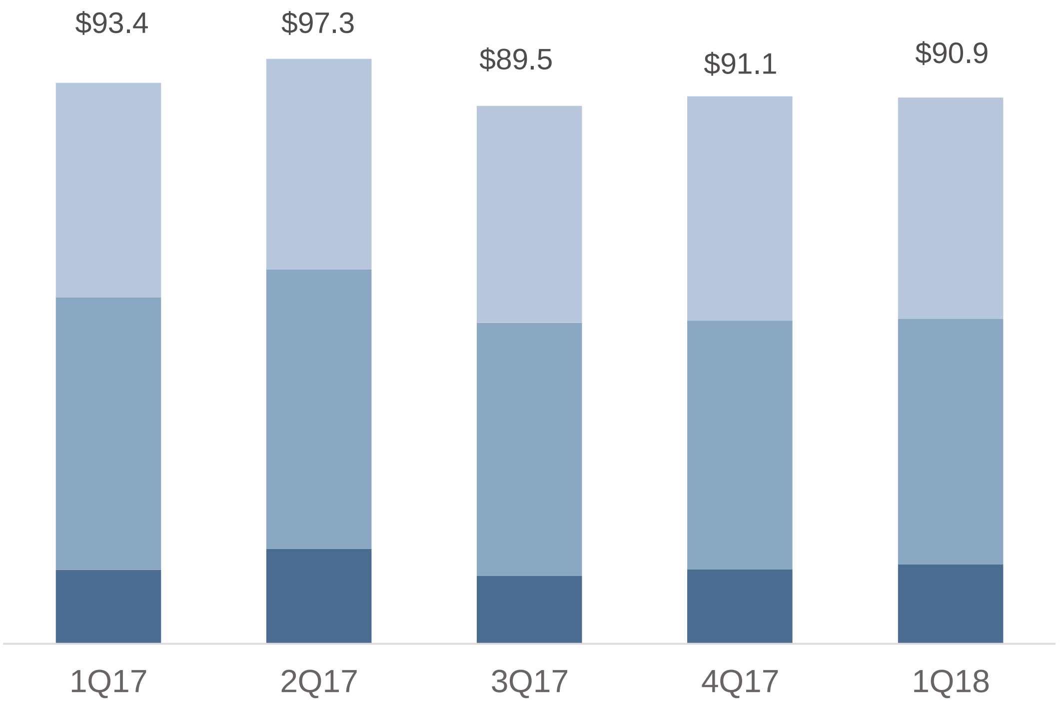
Operating Metrics	1Q17	2Q17	3Q17	4Q17	1Q18
Avg AUM ($Bn)	$56.3	$56.8	$57.9	$60.4	$62.0
Avg Fee Rate (bps)	72.5	71.3	70.2	69.4	68.6

Expenses

Commentary:

- 3% YoY decrease in expenses, reflecting completion of RS integration and operational efficiencies
- Personnel expenses decreased 1% QoQ primarily due seasonality in prior quarter; 3% increase YoY due to higher earnings
- Operating expenses decreased 1% QoQ and 10% YoY primarily due to operational efficiencies
- Non-operating expenses increased 6%, reflecting lower interest expense offset in the quarter by debt issuance-related costs

Quarterly Results ($MM)



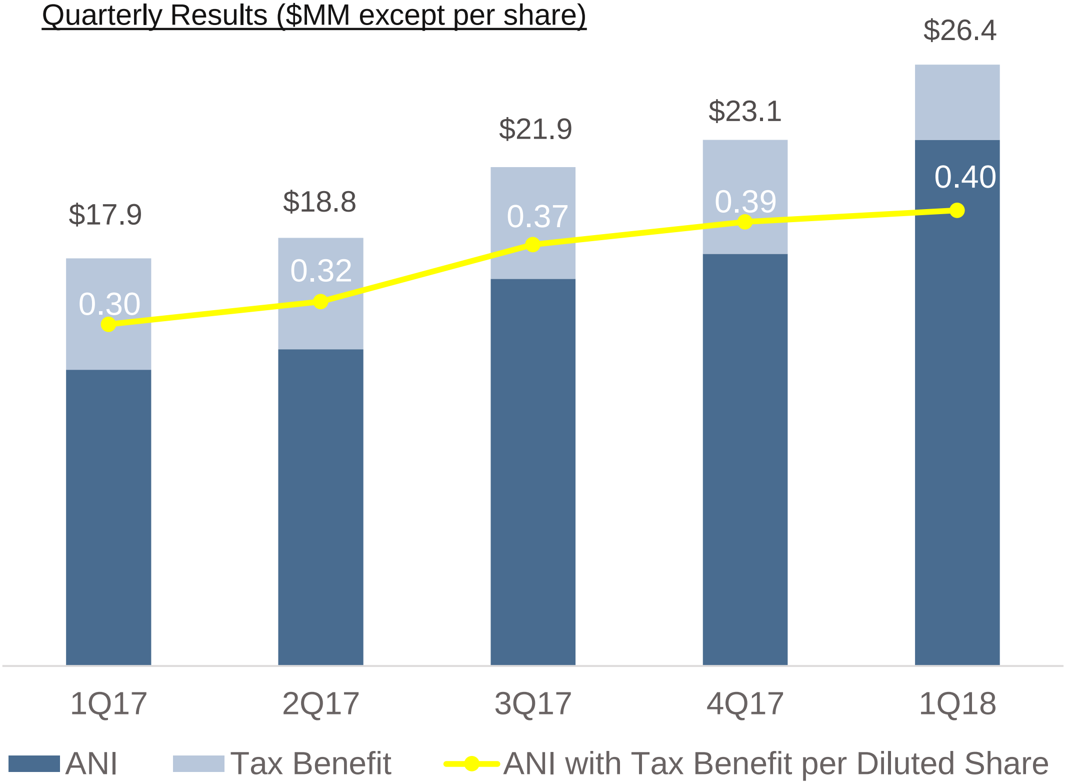
Operating Metrics ($MM)	1Q17	2Q17	3Q17	4Q17	1Q18
Personnel	$35.7	$35.0	$36.1	$37.3	$36.8
Operating	45.4	46.5	42.1	41.4	40.9
Non-Operating	12.3	15.8	11.3	12.4	13.2

Non-GAAP Metrics

Commentary:

- 14% QoQ increase in Adjusted Net Income with Tax Benefit
- 47% YoY increase in Adjusted Net Income with Tax Benefit
- 450 bps YoY Adjusted EBITDA margin expansion, reflecting completion of RS integration and operational efficiencies
- LTM Adjusted EBITDA of $155.3MM

Quarterly Results ($MM except per share)



Operating Metrics	1Q17	2Q17	3Q17	4Q17	1Q18
Adjusted EBITDA ($MM)	$33.6	$36.2	$39.3	$40.0	$39.8
Adjusted EBITDA Margin	33.4%	35.9%	38.3%	37.9%	37.9%

Notes: Adjusted measures are non-GAAP financial measures. An explanation of these non-GAAP financial measures is provided in the Notes and Disclosures at the end of this presentation.

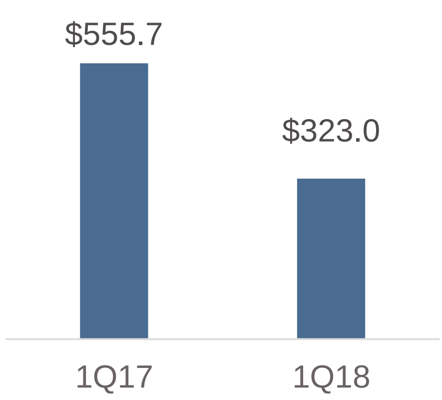
Capital Management

Commentary:

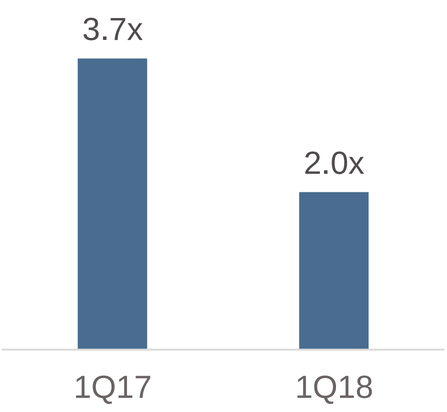
- 1Q18 debt balance of $323MM subsequently reduced in April to $305MM; 15% decrease from February debt refinancing level and annualized interest expense savings of $2.8MM from the time of the February debt refinancing
- YoY debt reduction of 42% resulting in Debt/Adjusted EBITDA of 2x
- Reduction in borrowing costs through February debt refinancing of 250 bps (L+525 bps to L+275 bps)
- Avg Fully Diluted Shares Outstanding of 66.3MM for the quarter

Selected Balance Sheet Items ($MM)	3/31/18
Cash / Cash Equivalents	$12.3
Debt[1]	$323.0
Equity	$398.8
Diluted Shares Outstanding (MM)	66.3
Selected Metrics	**3/31/18**
Net Debt / LTM Credit EBITDA	2.0x
Net Debt / LTM Adjusted EBITDA	2.0x
Net Debt[2]	$317.3

Borrowings ($MM)



Leverage Ratio[2]



[1] Represents outstanding term loans as of March 31, 2018. Balance sheet amount of long-term debt is $310.4MM which is net of $12.6MM unamortized debt issuance costs and debt discount.
[2] Calculated in accordance with credit agreement.

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 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.

Adjusted EBITDA

Adjustments made to GAAP net income to calculate Adjusted EBITDA are:

- Adding back GAAP income tax;
- 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 GAAP amortization of acquisition-related intangibles;
- Adding back the expense associated with stock-based compensation associated with equity issued from pools that were created in connection with the management-led buyout with Crestview GP from KeyCorp, the Munder Acquisition and the RS Acquisition and as a result of any equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions and the IPO, including expenses associated with third-party advisors, proxy solicitations of mutual fund shareholders for transaction consents, vendor contract early termination costs, impairment of receivables recorded in connection with an acquisition and severance, retention and transaction incentive compensation;
- Adding back debt issuance costs;
- Adding back pre-IPO governance expenses paid to the Company’s private equity partners that terminated as of the completion of the IPO;
- Adjusting for earnings/losses on equity method investments; and
- Adding back annual incentive compensation paid in excess of expected levels due to acquisitions.

Notes and Disclosures

Information Regarding Non-GAAP Financial Measures (cont.)

Adjusted Net Income

Adjustments made to GAAP net income to calculate Adjusted Net Income are:

- Adding back other business taxes;
- Adding back GAAP amortization of acquisition-related intangibles;
- Adding back the expense associated with stock-based compensation associated with equity issued from pools that were created in connection with the management-led buyout with Crestview GP from KeyCorp, the Munder Acquisition and the RS Acquisition and as a result of any equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions and the IPO, including expenses associated with third-party advisors, proxy solicitations of mutual fund shareholders for transaction consents, vendor contract early termination costs, impairment of receivables recorded in connection with an acquisition and severance, retention and transaction incentive compensation;
- Adding back debt issuance costs;
- Adding back pre-IPO governance expenses paid to the Company's private equity partners that terminated as of the completion of the IPO;
- Adding back annual incentive compensation paid in excess of expected levels due to acquisitions;
- Subtracting an estimate of income tax expense on the adjustments; and
- Subtracting the impact of remeasuring the U.S. net deferred taxes under the Tax Act.

Tax Benefit of Goodwill and Acquired Intangibles

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 intangibles represents the tax benefits associated with deductions allowed for intangibles 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 intangibles with a step-up in tax basis.

Notes and Disclosures

Investing involves risk, including the potential loss of principal. There are no assurances that any fund will achieve its stated objective.

Past performance does not guarantee future results. A fund's most recent performance can be found at vcm.com.

An investor should carefully consider a fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the prospectus or the summary prospectus. To obtain a prospectus for the VictoryShares ETFs visit www.victoryshares.com. To obtain a prospectus for the Victory Funds mutual funds visit www.victoryfundliterature.com. Please read the prospectus carefully before investing.

VictoryShares ETFs are distributed by Foreside Fund Services, LLC. Victory Funds mutual funds are distributed by Victory Capital Advisers, Inc. Neither Victory Capital Advisers, Inc. nor its affiliates are affiliated with Foreside Fund Services, LLC.

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.

Barron's ranked Victory Capital 10th overall and 2nd in the Mixed Asset category out 58 fund families for the one-year period ended December 31, 2017, 21st out of 61 firms for the one-year period ended December 31, 2016, 25th out of 67 firms for the one-year period ended December 31, 2015, and 15th out of 65 firms for the one-year period ended December 31, 2014.

How *Barron's* Ranks the Fund Families
All mutual and exchange-traded funds are required to report their returns (to regulators, as well as in advertising and marketing material) after fees are deducted, to better reflect what investors would actually receive. But our aim is to measure managers' skill, independent of expenses beyond annual management fees. That's a large part of why we calculate returns before any 12b-1 fees are deducted. Similarly, loads, or sales charges, aren't included in our calculation of returns. The other reason? The multitude of share classes makes it nearly impossible to ascertain what a typical investor would pay in terms of annual expenses or loads.

Each fund's performance is measured against all of the other funds in its Lipper category, with a percentile ranking of 100 being the highest and one the lowest. The result is then weighted by asset size, relative to the fund family's other assets in its general classification. If a family's biggest funds do well, that boosts its overall showing; poor performance in its biggest funds hurts a firm's ranking.

To be included in our survey, a firm must have at least three funds in the general equity category, one world equity, one mixed asset (such as a balanced or target-date fund), two taxable bonds, and one national tax-exempt bond fund. We have historically excluded single-sector and single-country stock funds, but those are now included, as part of the general equity category. We exclude all index funds, including pure index, enhanced index, and index-based. But we include actively managed exchange-traded funds and ETFs with indexing strategies that are not the traditional capitalization-weighted or equal-weighted. Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results in 2017 were general equity, 36.1%; mixed asset, 19.9%; world equity, 18.7%; taxable bond, 21.2%; and tax-exempt bond, 4%.

The scoring: Say a fund in the general U.S. equity category has $500 million in assets, accounting for half of a firm's assets in that category, and its performance lands it in the 75th percentile for the category. The first calculation would be 75 times 0.5, which comes to 37.5. That score is then multiplied by 36.1%, general equity's overall weighting in Lipper's universe. So it would be 37.5 times 0.361, which equals 13.54. Similar calculations are done for each fund in our study. Then the numbers are added for each category and overall. The shop with the highest total score wins. The same process is repeated to determine five- and ten-year rankings.