

Investment Philosophy

The Munder Mid-Capitalization Core Growth Strategy invests in mid-cap stocks that we believe have strong growth prospects and reasonable valuations. We believe this combination of fundamental strength and attractive valuation positions the Strategy for strong competitive performance. These characteristics have historically contributed to the Strategy's successful long-term record, and we are confident they will continue to serve our investors well.

Market Overview

The Munder Mid-Capitalization Core Growth Strategy outperformed its Russell Midcap[®] Index benchmark by 80 basis points (bps) net and 104 bps gross in the first quarter. The Strategy continues to invest in mid-cap stocks that have strong growth prospects and profitability metrics along with reasonable valuations. Outperformance came from stock selection, while sector allocation detracted. The Strategy generated positive stock selection in seven of the eleven sectors.

The Strategy's largest overweights on a sector basis were Technology and Consumer Staples, while the largest underweights were Utilities and Materials. The Strategy's strongest stock selection came from the Communication Services, Technology, and Consumer Staples sectors.

Within the Communication Services sector, Trade Desk Inc. was our strongest contributor. The company reported a strong fourth quarter and gave first quarter guidance that came in ahead of consensus. In addition, Disney announced a new ad exchange for its streaming platforms that will aggregate advertising inventory and make it available for bidding through Trade Desk.

Our strongest contributor was CrowdStrike Holdings in the Technology sector. Even after strong outperformance in 2023, CrowdStrike continues to surprise positively as its cybersecurity platform gains market share. More broadly, the cybersecurity space has seen robust demand following recent high-profile breaches (e.g., MGM, Caesars, Clorox).

In the Consumer Staples sector, our best contributor was Freshpet Inc., which continued its outperformance seen in late 2023. The company reported strong fourth quarter results, with volume accelerating and margins expanding significantly. Guidance for 2024 also came in ahead of expectations.

The worst stock selection came in the Consumer Discretionary and Industrials sectors. In Consumer Discretionary, our worst detractor was Yeti Holdings. The company reported a rare miss with fourth quarter results. While drinkware sales grew well, coolers & equipment sales fell. Management expected more balanced growth across segments, and cited consumer caution with higher-ticket items. Guidance for 2024 also came in below expectations.

Within Industrials, our worst detractor was Wesco International, which reported a sales decline in the fourth quarter as December projects were delayed. Guidance for 2024 also disappointed. We have sold our position.

At quarter-end, the Strategy was most overweight the Health Care and Consumer Staples sectors and most underweight Utilities and Real Estate. Its market capitalization is roughly 12% higher than the benchmark on a weighted-average basis. The Strategy continues to have positive exposures to growth, momentum, and profitability.

Top 5 Contributors (% Rep. Account)

Kinsale Capital Group, Inc.	0.64
Trane Technologies plc	0.58
Diamondback Energy, Inc.	0.50
Brown & Brown, Inc.	0.48
Saia, Inc.	0.47

Top 5 Detractors (% Rep. Account)

YETI Holdings, Inc.	-0.39
Zoetis, Inc. Class A	-0.27
WESCO International, Inc.	-0.18
Zscaler, Inc.	-0.16
Caesars Entertainment Inc	-0.12

Top Ten Holdings (Rep. Account)

Top Ten Holdings (Rep. Account)	Sector
Trane Technologies plc	Industrials
Trex Company, Inc.	Industrials
Brown & Brown, Inc.	Financials
Live Nation Entertainment, Inc.	Communication Services
Diamondback Energy, Inc.	Energy
Trade Desk, Inc. Class A	Communication Services
DexCom, Inc.	Health Care
Amphenol Corporation Class A	Information Technology
Evercore Inc. Class A	Financials
AMETEK, Inc.	Industrials
Total % of Portfolio	20.64%

Investment Performance (%)	QTR	YTD	ANNUALIZED RETURNS					Since Inception*
			1 Year	3 Year	5 Year	10 Year		
Munder Mid-Capitalization Core Growth Composite (Gross)	9.64	9.64	22.35	6.17	11.72	9.74	11.53	
Munder Mid-Capitalization Core Growth Composite (Net)	9.40	9.40	21.29	5.27	10.79	8.78	10.69	
Russell Midcap® Index	8.60	8.60	22.35	6.07	11.10	9.95	—	
Russell Midcap® Growth Index	9.50	9.50	26.28	4.62	11.82	11.35	—	

Source: Zephyr

*Since inception results are as of January 1, 1999. A GIPS® Report is available upon request. Past performance does not guarantee of future results.

Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. Returns greater than one year are annualized. Returns are expressed in U.S. dollars. Composite returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

Composite and benchmark returns are presented net of non-reclaimable withholding taxes, if any. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. The composite net-of-fees returns shown reflect gross performance less actual investment management 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 II of its Form ADV.

The Munder Mid-Capitalization Core Growth Composite includes all fee-paying, non-wrap discretionary portfolios of \$100,000 or more that are managed according to the Munder Mid-Capitalization Core Growth Strategy. The Strategy focuses on mid-sized companies that we believe are high-quality companies with the potential for higher than average earnings growth and high consistency in earnings. The composite creation date is December 2001.

The primary benchmark of the composite is the Russell Midcap® Index. The Russell Midcap® Index is a market capitalization-weighted index that measures the performance of the 800 smallest U.S. stocks in the Russell 1000® Index.

Characteristics, Top Ten Holdings and Sector Diversification source: FactSet Research Systems, Inc. The top ten holdings and sector diversification are presented to illustrate examples of the portfolio's investments and may not be representative of the portfolio's current or future investments. The Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. 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. This material should not be construed as a recommendation to buy or sell any security.

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.

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.

Index returns are provided to represent the investment environment during the periods shown. Index performance does not reflect management fees, transaction costs or expenses that would be incurred with an investment. One cannot invest directly in an index.

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.

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Victory Capital claims compliance with the Global Investment Performance Standards (GIPS®).

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