

Core Plus Bond Manager Search

Executive Summary

As a fiduciary responsible for managing the retirement plan, the investment committee has an obligation to act in the best interest of plan participants. This includes documenting the committee’s investment decision making process, including the criteria used to select and monitor investment options.

Metropolitan West Total Return Bond is the plan’s incumbent investment manager in the Core Plus Bond peer group. This fund was placed on watch and has been monitored closely. NWCM has concluded that higher conviction investment options exist within that peer group, and therefore conducted a manager search for potential replacements.

NWCM reviewed the Core Plus Bond investment universe, analyzed the candidate pool, narrowed down our top candidates and believe that the Baird Core Plus Bond mutual fund is the most suitable replacement due to its performance and risk characteristics, low fees, and experienced management. NWCM included the following strategies in the Core Plus Bond manager search and assessed them on the metrics shown below. NWCM has also provided the subsequent reports to assist in the decision-making process. The IPS Status evaluation is consistent with the monitoring criteria outlined in your plan’s Investment Policy Statement and defined in the quarterly Investment Monitoring Review document.

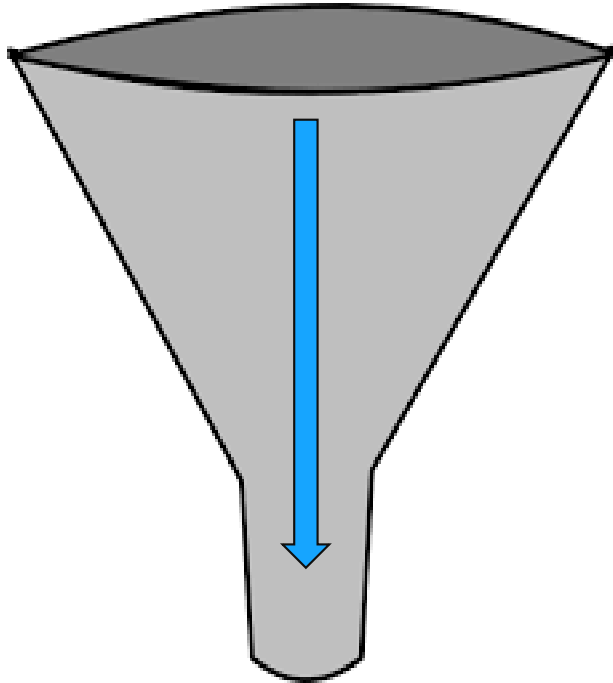
	Victory Core Plus Intermediate Bond	Baird Core Plus Bond	PGIM Total Return	Metropolitan West Total Return Bond
Performance	√	√	√	X
Risk	√	√	X	X
Style	√	√	√	√
Management Team	√	√	√	X
Fees	√	√	√	√
IPS Status	Pass	Pass	Pass	Watch

Investment Selection Process Summary

- 1. Quantitative Screen:** NWCM began the process by looking at the broader Core Plus Bond universe. To initially narrow the investment universe, NWCM applied various quantitative screens, including whether the share class was closed to new investors, average investment manager tenure, investment performance peer group ranking, and competitive prospectus net expense ratio.
- 2. Qualitative Analysis:** After going through various screens, NWCM began its qualitative analysis which included our perspective on the fund based on our interviews with each fund management team. From our quantitative screening and qualitative analysis, NWCM was able to narrow the entire pool of Core Plus Bond managers to three strategies, all encompassing the following characteristics:
 1. A stable and experienced investment team, from the named Portfolio Managers to the support analysts.
 2. Consistent, thoughtful, and transparent investment process using a proprietary framework.
 3. Ongoing risk monitoring and portfolio due diligence, leading to portfolios that achieve high performance ranking relative to peers, at a reasonable cost.
- 3. Final Analysis:** The three viable Core Plus Bond strategies were then compared with one another. The assessment included historical peer group rankings from common fund inception dates using quantitative data points such as performance, Sharpe ratio, standard deviation, and information ratio. From this assessment, NWCM determined the single best alternative candidate to fit the Core Plus Bond mandate.

This investment selection process is further detailed on the following page.

Investment Screening Process



- Total US mutual funds: 23,443
- Actively managed US mutual funds: 8,338
- Mutual funds categorized as Core Plus Bond: 612
- Funds with 3 year performance above the category average (50th percentile or better): 229
- Funds with 5 year performance above the category average (50th percentile or better): 181
- Funds with a net expense ratio below 0.50%: 99
- Manager tenure at least 3 years: 94
- Fund asset size above \$250MM: 88
- Open to new investors: 88
- Elimination of higher cost share classes (# of unique managers): 31
- NWCM qualitative investment process screen: 8
- NWCM potential alternative manager review: 3

The following analysis compares the top candidates with the incumbent.

Fund Highlights

Name	Ticker	Morningstar Category	Inception Date (Oldest Share Class)	Manager Tenure (Average)	Primary Prospectus Benchmark	AUM	Prospectus Expense Ratio	# of Holdings
Metropolitan West Total Return Bd Plan	MWTSX	US Fund Intermediate Core-Plus Bond	3/31/1997	11.98	Bloomberg US Agg Bond TR USD	\$47,904,217,273.00	0.37	1,736
Victory Core Plus Intermediate Bond R6	URIBX	US Fund Intermediate Core-Plus Bond	8/2/1999	7.02	Bloomberg US Agg Bond TR USD	\$4,610,906,943.00	0.42	975
Baird Core Plus Bond Inst	BCOIX	US Fund Intermediate Core-Plus Bond	9/29/2000	11.67	Bloomberg US Universal TR USD	\$29,579,145,985.00	0.30	1,564
PGIM Total Return	PTRQX	US Fund Intermediate Core-Plus Bond	1/10/1995	8.98	Bloomberg US Agg Bond TR USD	\$44,907,143,530.00	0.39	3,236

Metropolitan West Total Return

	MWTSX	Score*: 20	Replace
Commentary:	<p>Stephen Kane (1997), Laird Landmann (1997), Bryan Whalen (2004), Jerry Cudzil (2023), and Ruben Hovhannisyan (2023) are the managers of the strategy. Long time manager and former CIO Tad Rivelle (1997) retired at the end of 2021. In August 2023 it was announced that Landmann will retire at the end of 2023 and Kane will retire at the end of 2024. Rivelle, Landmann, and Kane are the co-founders of Metropolitan West Asset Management. Management looks to generate relative performance by rotating sector and risk factor exposures in the portfolio throughout the credit cycle. They rely on their experience and expertise with macro calls to generate the majority of alpha, although security selection and valuation analysis does play a part. Historically the strategy has been slightly overweight to MBS and duration relative to peers. The strategy ranks in the bottom quartile of peers over the past 1- and 3- years and in the third quartile over the past 5- and 10- years. The strategy received significant asset inflows in the wake of Bill Gross's departure from PIMCO in 2014 and has struggled to generate meaningful outperformance on a consistent basis with a larger asset base. In 2023 the strategy ranked in the third quartile of peers where the longer than average effective duration (7.1 years fund vs. 6.1 years peer average) and an overweight to mortgage backed securities were headwinds to relative performance. These trends have continued YTD in 2024.</p>		
Rationale:	<p>Due to significant turnover in the portfolio management team, a process that is predicated upon the knowledge and experience of that management team to effectively implement, and lackluster performance for the strategy with the current asset base, NWCM recommends replacing this strategy with a higher conviction investment manager.</p>		

	Prospectus Benchmark	MS Rating	QTR	1 Year	3 Years	5 Years	10 Years	Action
Intermediate-Term Bond								
Incumbent Investment								
Metropolitan West Total Return Bd Plan	Bloomberg US Agg Bond TR USD	3	-0.84	1.58	-2.95	0.51	1.63	W
<i>+/- Benchmark</i>			-0.07	-0.12	-0.50	0.15	0.09	
<i>Peer Group Percentile</i>			91	82	79	60	54	

Performance

Returns and rankings in %		YTD		1 year		3 year		5 year		10 year		15 year	
Ticker and investment name (grouped by Morningstar category)		Total return	% cat rank	Total return	% cat rank	Total return	% cat rank	Total Return	% cat rank	Total return	% cat rank	Total return	% cat rank
Intermediate Core-Plus Bond	Funds ranked	646		623		556		528		376		278	
MWTSX - Metropolitan West Total Return Bd Plan		-3.76	93	-1.97	88	-4.17	80	-0.10	65	1.25	58	3.80	25
BCOIX - Baird Core Plus Bond Inst		-2.54	41	0.42	31	-2.77	23	0.71	25	1.95	16	4.02	17
PTRQX - PGIM Total Return Bond R6		-2.23	27	1.32	16	-2.83	26	0.43	38	2.09	11	4.36	11
URIBX - Victory Core Plus Intermediate Bond R6		-2.07	21	0.62	26	-2.08	12	1.60	4	2.44	5	5.56	1
Bloomberg US Agg Bond TR USD *		-3.28	-	-1.47	-	-3.54	-	-0.16	-	1.20	-	2.41	-

* Benchmark

- Metropolitan West has struggled to generate excess performance after large asset inflows in 2014 & 2015
- All three potential alternatives have generated strong absolute performance over all time frames

Risk and Return Statistics

Risk/return statistics 3 Year 5/1/21 - 4/30/24

Returns in %

Ticker and investment name	Return	Standard deviation	Sharpe ratio	Batting average	Excess return	Tracking error	Information ratio	Beta	Up capture	Down capture	R-squared
MWTSX - Metropolitan West Total Return Bd Plan	-4.17	8.27	-0.88	33.33	-0.63	1.08	-0.59	1.13	109.74	112.20	99.50
BCOIX - Baird Core Plus Bond Inst	-2.77	7.34	-0.80	72.22	0.76	0.60	1.27	0.99	100.46	93.63	99.31
PTRQX - PGIM Total Return Bond R6	-2.83	7.76	-0.77	72.22	0.71	1.35	0.52	1.04	106.45	98.18	97.00
URIBX - Victory Core Plus Intermediate Bond R6	-2.08	6.99	-0.74	66.67	1.46	1.09	1.34	0.94	99.35	86.85	97.92
Bloomberg US Agg Bond TR USD *	-3.54	7.34	-0.91	-	-	-	-	-	-	-	-

* Benchmark

Risk/return statistics 5 Year 5/1/19 - 4/30/24

Returns in %

Ticker and investment name	Return	Standard deviation	Sharpe ratio	Batting average	Excess return	Tracking error	Information ratio	Beta	Up capture	Down capture	R-squared
MWTSX - Metropolitan West Total Return Bd Plan	-0.10	6.98	-0.33	50.00	0.06	1.01	0.06	1.11	110.40	109.37	98.96
BCOIX - Baird Core Plus Bond Inst	0.71	6.52	-0.23	73.33	0.87	1.55	0.56	1.01	108.96	98.24	94.30
PTRQX - PGIM Total Return Bond R6	0.43	7.52	-0.24	71.67	0.59	3.19	0.19	1.09	122.74	114.84	82.48
URIBX - Victory Core Plus Intermediate Bond R6	1.60	6.98	-0.09	73.33	1.76	3.35	0.52	0.98	117.05	95.41	76.94
Bloomberg US Agg Bond TR USD *	-0.16	6.24	-0.38	-	-	-	-	-	-	-	-

* Benchmark

- Baird has generated strong risk-adjusted returns as measured by both Sharpe and Information ratios

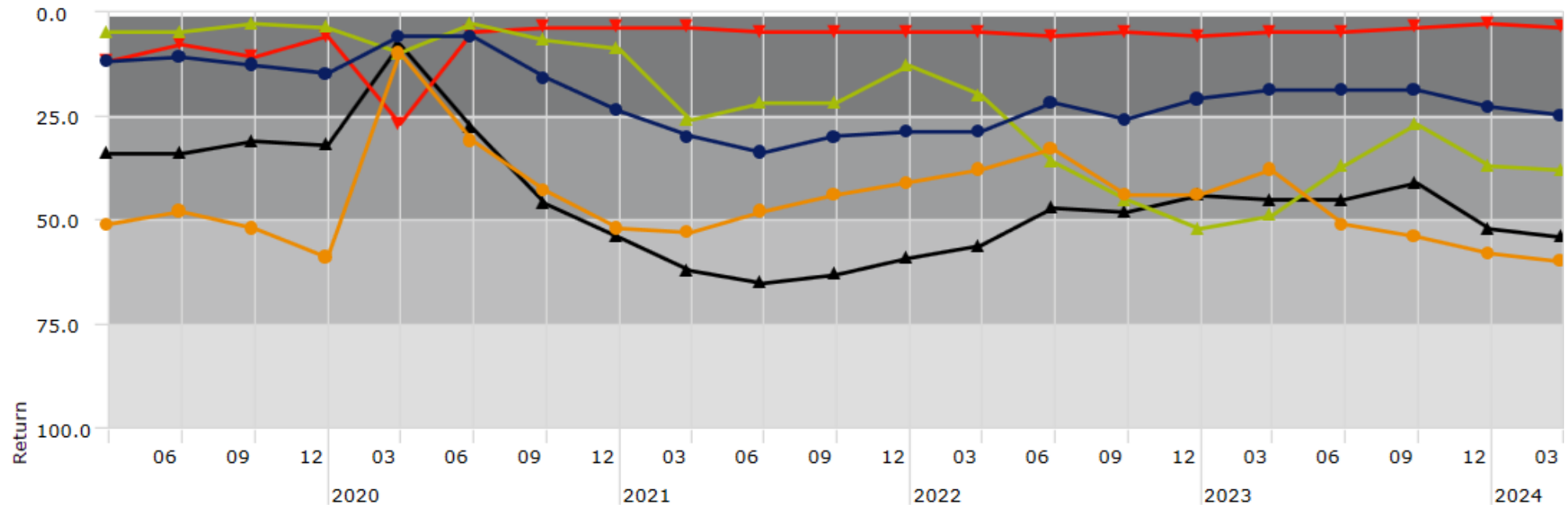
Consistency

Rolling Return (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

■ 1st to 25th Percentile ■ 26th to Median ■ 51st to 75th Percentile ■ 76th to 100th Percentile



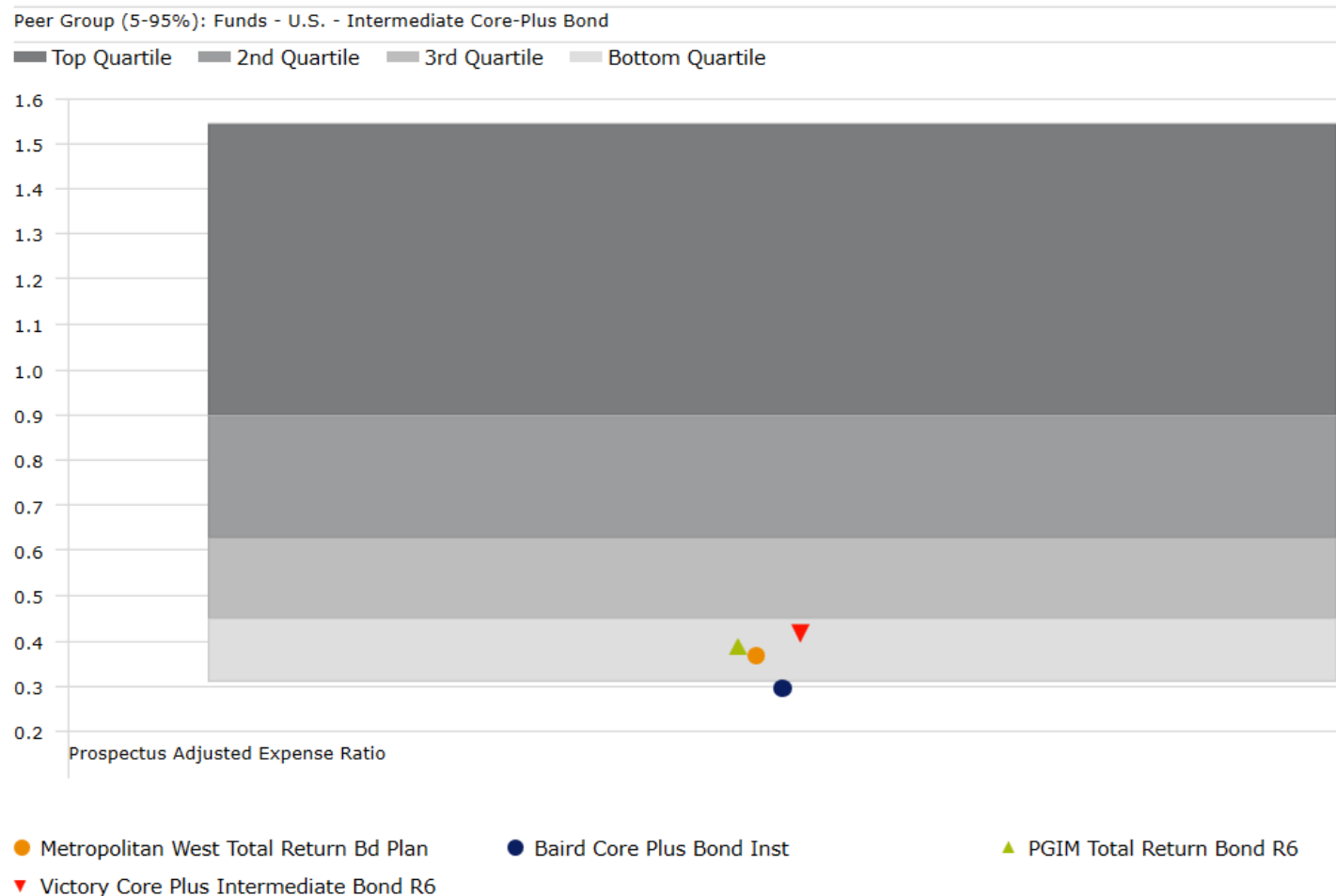
—●— Metropolitan West Total Return Bd Plan
 —●— Baird Core Plus Bond Inst
 —●— PGIM Total Return Bond R6
—●— Victory Core Plus Intermediate Bond R6
 —●— Bloomberg US Universal TR USD

- Baird has generated consistent long term returns though changing market conditions

Fees

Investment fees can compound over time and erode the overall returns of an investment portfolio, especially over long periods. As a result, even seemingly small differences in fees can have a significant impact on investment performance and reduce the amount of wealth an investor accumulates over time.

- All of the included strategies rank in the least expensive quartile of the peer group



Baird Core Plus Bond

	BCOIX	Score*: 100	Recommendation
Commentary:	<p>There are 10 named portfolio managers on the strategy, but the lions share of decision-making responsibility lies with co-CIOs Mary Ellen Stanek (2000) and Warren Pierson (2000). The team utilizes a straight forward, duration neutral, investment process that looks to generate incremental return by looking at the relative value of individual bond offerings through curve positioning, long term sector convictions, security selection, and competitive execution of trades. The team will only own USD cash bonds, with no exposure to other currencies or derivatives. The strategy ranks in the second quartile of peers over the past 12 months, and in the top quartile of peers over the past 3-, 5-, and 10- years. Security selection within investment grade corporate credit (also a portfolio overweight) has been the largest tailwind to relative performance over the long term.</p>		
Rationale:	<p>Due to a prudent and risk-aware investment process, a deep and experienced management team, and strong long term performance NWCM considers this strategy suitable for replacement opportunities and new mandates.</p>		

	Prospectus Benchmark	MS Rating	Return					Action
			QTR	1 Year	3 Years	5 Years	10 Years	
Intermediate-Term Bond								
Replacement Candidate								
Baird Core Plus Bond Inst	Bloomberg US Universal TR USD	4	-0.18	3.56	-1.71	1.23	2.29	
<i>+/- Benchmark</i>			0.29	0.89	0.41	0.55	0.45	
<i>Peer Group Percentile</i>			41	29	23	25	15	

PGIM Total Return

	PTRQX	Score*: 80	Alternative
Commentary:	<p>Robert Tipp (2002), Michael Collins (2009), Richard Picarillo (2012), Gregory Peters (2014), Matthew Angelucci (2023), and Tyler Thorn (2023) are the managers of the strategy. Michael Collins has announced he will retire in April 2025. This was originally scheduled to take place in April 2024 however the plan changed when his initial successor, Lindsay Rosner (who was promoted to PM in 2021) departed the firm in mid 2023. Collins will stay on the extra year to help bring Angelucci and Thorn up to speed. The team focuses on risk management and security selection to drive excess returns, with particular emphasis placed on the ideas generated from the deep team of credit research analysts who internally rank individual bond offerings. While risk budgeting within their stated guardrails is a major consideration of the team, they do have wider tracking error bands than many peers and can look on the more volatile side when markets move sharply. The strategy ranks in the top decile of peers over the past 1-, 3-, and 10- years and in the second quartile over the past 5- years.</p>		
Rationale:	<p>Due to a long-tenured and consistent management process, strong institutional support and expertise, and excellent long term performance NWCM considers this strategy suitable for replacement opportunities and new mandates.</p>		

	Prospectus Benchmark	MS Rating	Return					Action
			QTR	1 Year	3 Years	5 Years	10 Years	
Intermediate-Term Bond								
Replacement Candidate								
PGIM Total Return Bond R6	Bloomberg US Agg Bond TR USD	4	0.14	4.61	-1.68	0.96	2.43	
+/- Benchmark			0.91	2.91	0.78	0.60	0.89	
Peer Group Percentile			22	10	22	39	10	

Victory Core Plus Intermediate Bond

	URIBX	Score*: 93	Alternative
Commentary:	<p>Brian Smith (2013), Kurt Daum (2016), John Spear (2016), Neil Graves (2019), and James Jackson (2019) are the managers of the strategy. The strategy and process has its genesis in the 1970s underneath the USAA umbrella. USAA Investment Company was spun off and sold to Victory Capital Management in 2019 and was rebranded Victory Income Investors in 2023. The team leans on USAA's long history of corporate credit research, where the robust team of internal analysts are constantly fine tuning their own internal issuer credit ratings to assess relative value. Risk management is the second pillar of the portfolio management team, where strict guard rails limit the amount of credit risk (max 10% of the portfolio in below investment grade bonds) and interest rate risk (target duration neutral to the benchmark index [+/- 10% benchmark duration allowance]) the portfolio may take. This process has led to highly consistent returns through changing market environments. The strategy ranks in the top quartile of peers over the 1-, 3-, 5-, 10-, and 15- year time frames. Security selection and loss avoidance have driven the majority of excess returns.</p>		
Rationale:	<p>Due to a long-tenured and consistent management process, strong institutional support and expertise, and excellent long term performance NWCM considers this strategy suitable for replacement opportunities and new mandates.</p>		

	Prospectus Benchmark	MS Rating	Return					Action
			QTR	1 Year	3 Years	5 Years	10 Years	
Intermediate-Term Bond								
Replacement Candidate								
Victory Core Plus Intermediate Bond R6	Bloomberg US Agg Bond TR USD	5	0.28	3.96	-0.96	2.21	2.78	
<i>+/- Benchmark</i>			1.06	2.26	1.50	1.85	1.24	
<i>Peer Group Percentile</i>			16	20	10	4	4	

Conclusion

After evaluating the Core Plus Bond fund universe and narrowing our in-depth analysis to the three funds above, NWCM found the Baird Core Plus Bond fund exhibited the following qualities:

- Long tenured management team and strong support structure of analysts
- Differentiated investment management process
- Top quartile absolute performance peer group rankings over the trailing 3, 5, and 10 year time horizons
- Strong risk adjusted performance as measured by Sharpe Ratio and Information Ratio
- Consistently strong trailing performance rankings through changing market conditions
- Fees below the peer average

For these reasons, NWCM has determined that the incumbent Metropolitan West Total Return Bond fund should be replaced with the Baird Core Plus Bond fund.

	Victory Core Plus Intermediate Bond	Baird Core Plus Bond	PGIM Total Return	Metropolitan West Total Return Bond
Performance	√	√	√	X
Risk	√	√	X	X
Style	√	√	√	√
Management Team	√	√	√	X
Fees	√	√	√	√
IPS Status	Pass	Pass	Pass	Watch

Appendix

MWTSX fact sheet as of 3/31/24:

https://www.tcw.com/-/media/Downloads/com/Products/US-Funds/MetWest-Funds/Fact-Sheets/TRB-ffs.pdf?rev=646e068a92a64b74a8f0f1736fc1eb19&sc_lang=en&hash=F54EB3DB3AB788C6C140E749A0071667

BCOIX fact sheet as of 3/31/24:

<https://www.bairdassetmanagement.com/siteassets/pdfs/fact-sheets/bond-core-plus-fact-sheet.pdf>

PTRQX fact sheet as of 3/31/24:

<https://www.pgim.com/investments/getpidoc?file=273744F32EF535FB85257B7D005E9331>

URIBX fact sheet as of 3/31/24:

<https://www.vcm.com/assets/victoryMF/factsheet-pdf/Victory%20Core%20Plus%20Intermediate-Term%20Bond%20Fund%20FS.pdf>

Supporting Documents

Additional Data

Trailing Performance (as of 3/31/24)

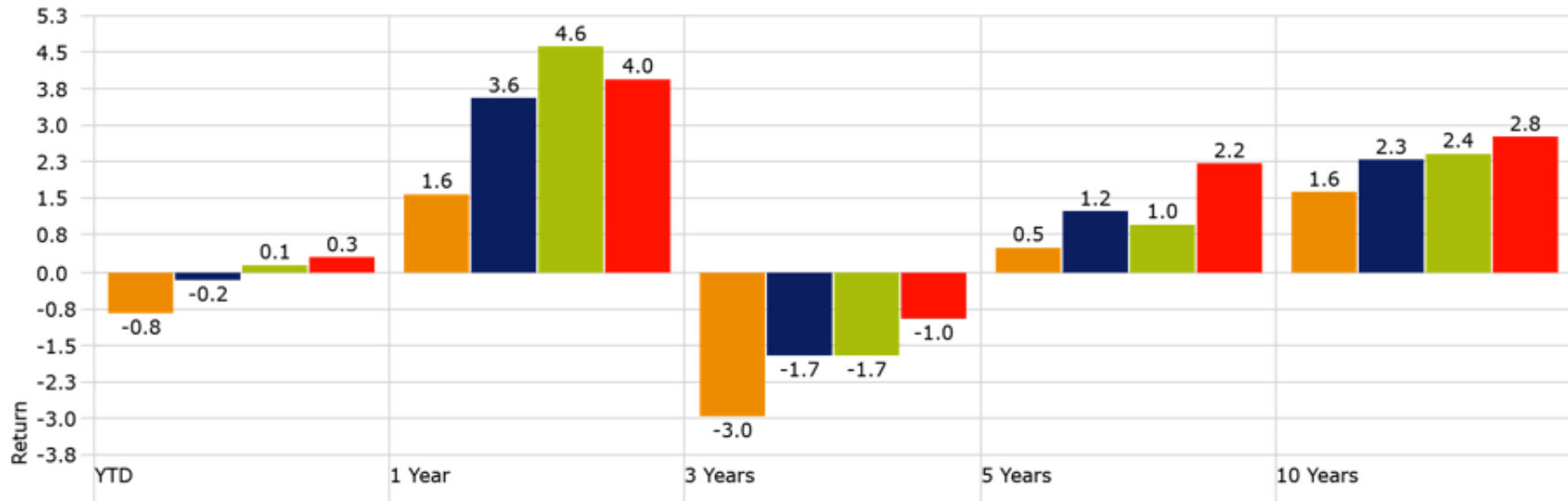
Trailing Returns

As of Date: 3/31/2024 Data Point: Return Calculation Benchmark: Bloomberg US Universal TR USD

	YTD	1 Year	3 Years	5 Years	10 Years
Metropolitan West Total Return Bd Plan	-0.84	1.58	-2.95	0.51	1.63
Baird Core Plus Bond Inst	-0.18	3.56	-1.71	1.23	2.29
PGIM Total Return Bond R6	0.14	4.61	-1.68	0.96	2.43
Victory Core Plus Intermediate Bond R6	0.28	3.96	-0.96	2.21	2.78

Returns

As of Date: 3/31/2024 Calculation Benchmark: Bloomberg US Universal TR USD



■ Metropolitan West Total Return Bd Plan
 ■ Baird Core Plus Bond Inst
 ■ PGIM Total Return Bond R6
■ Victory Core Plus Intermediate Bond R6

Source: Morningstar Direct

Calendar Year Performance (as of 3/31/24)

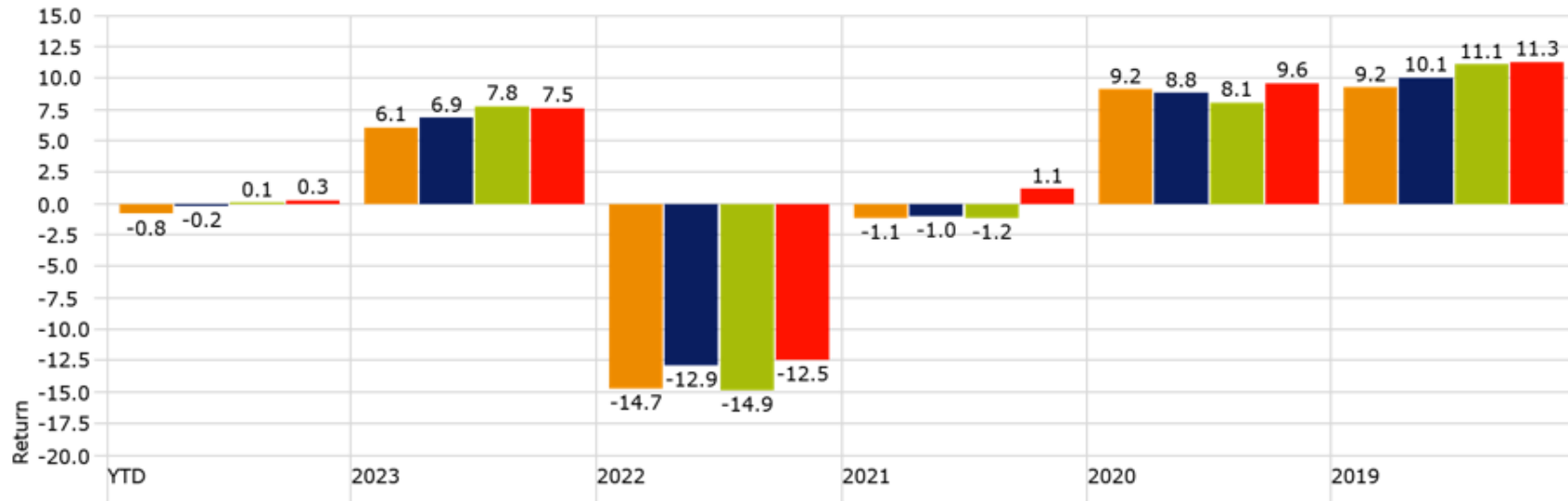
Calendar Year Returns

Data Point: Return Calculation Benchmark: Bloomberg US Universal TR USD

	YTD	2023	2022	2021	2020	2019
Metropolitan West Total Return Bd Plan	-0.84	6.07	-14.69	-1.11	9.17	9.23
Baird Core Plus Bond Inst	-0.18	6.89	-12.87	-1.02	8.80	10.11
PGIM Total Return Bond R6	0.14	7.78	-14.86	-1.15	8.10	11.13
Victory Core Plus Intermediate Bond R6	0.28	7.53	-12.45	1.12	9.57	11.30

Returns

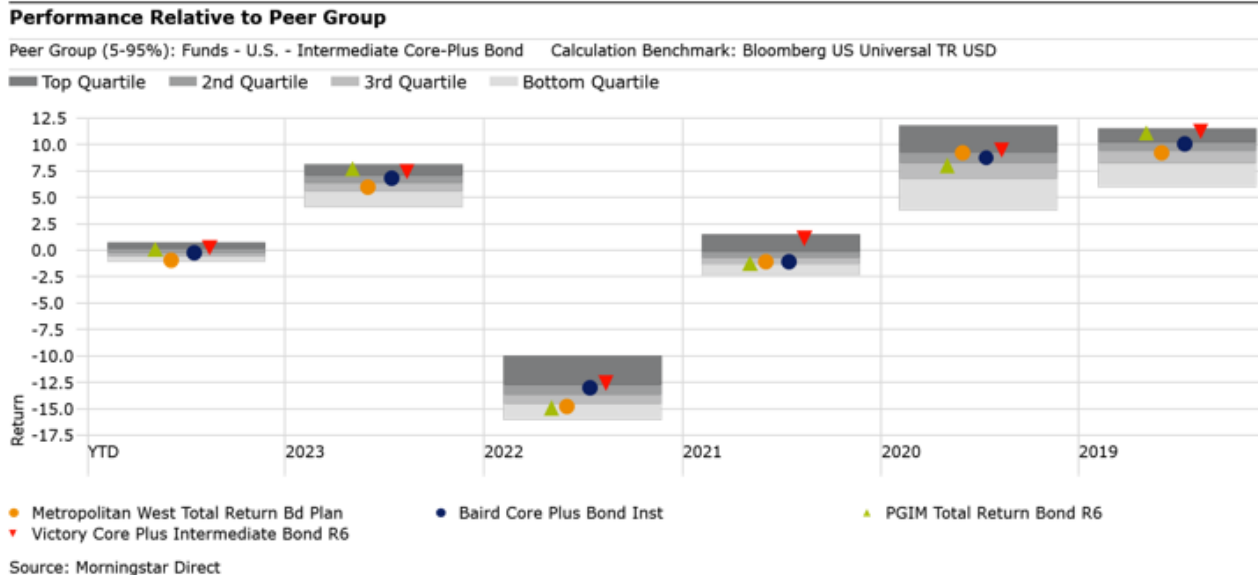
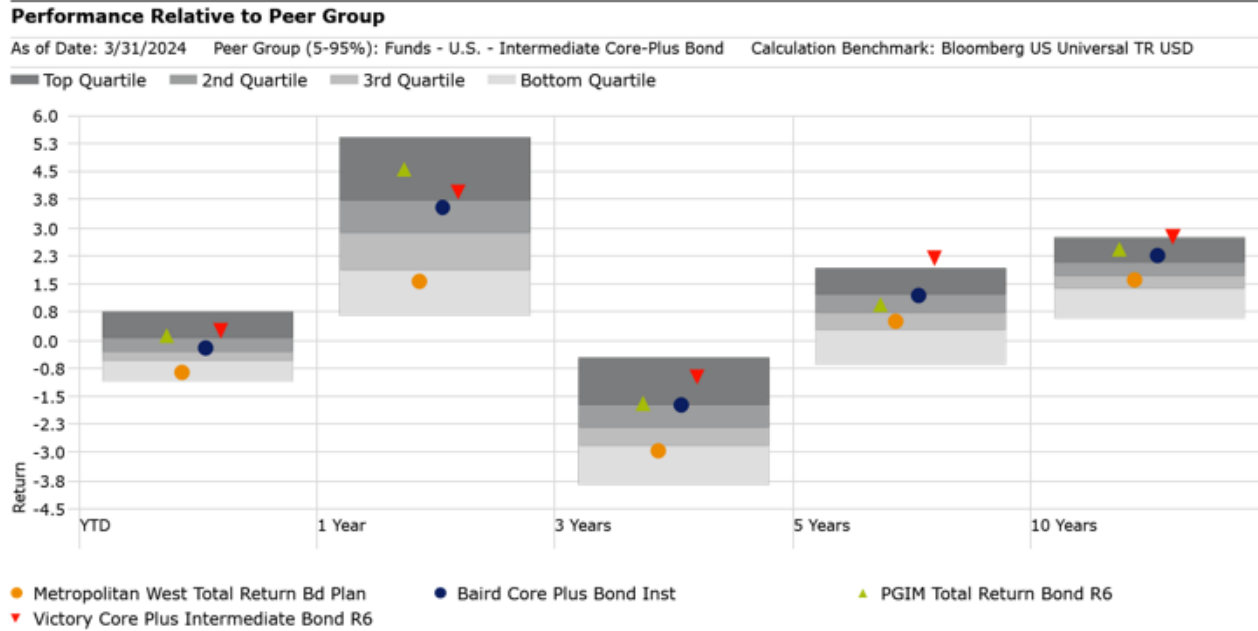
Calculation Benchmark: Bloomberg US Universal TR USD



■ Metropolitan West Total Return Bd Plan
 ■ Baird Core Plus Bond Inst
 ■ PGIM Total Return Bond R6
■ Victory Core Plus Intermediate Bond R6

Source: Morningstar Direct

Performance Rankings



Risk and Return

Performance

Calculation Benchmark: Bloomberg US Universal TR USD

	Return	Std Dev	Excess Return	Information Ratio (arith)	R2	Tracking Error
Metropolitan West Total Return Bd Plan	0.51	6.85	-0.17	-0.17	98.79	1.04
Baird Core Plus Bond Inst	1.23	6.42	0.55	0.63	98.30	0.87
PGIM Total Return Bond R6	0.96	7.44	0.28	0.11	90.28	2.49
Victory Core Plus Intermediate Bond R6	2.21	6.89	1.52	0.58	85.40	2.64

Risk

Time Period: 4/1/2014 to 3/31/2024 Calculation Benchmark: Bloomberg US Universal TR USD

	Return	Std Dev	Downside Deviation	Alpha	Beta	R2	Sharpe Ratio (arith)	Tracking Error
Metropolitan West Total Return Bd Plan	1.63	5.16	0.60	-0.21	1.08	97.96	0.03	0.84
Baird Core Plus Bond Inst	2.29	4.94	0.46	0.44	1.04	98.29	0.16	0.67
PGIM Total Return Bond R6	2.43	5.76	1.57	0.56	1.17	91.35	0.17	1.86
Victory Core Plus Intermediate Bond R6	2.78	5.25	1.69	0.94	1.02	84.66	0.25	2.06

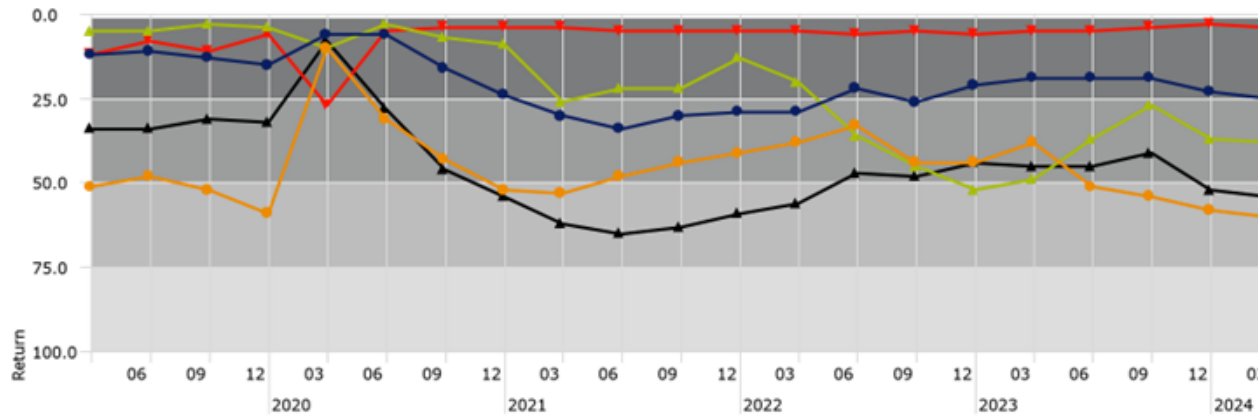
Consistency

Rolling Return (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



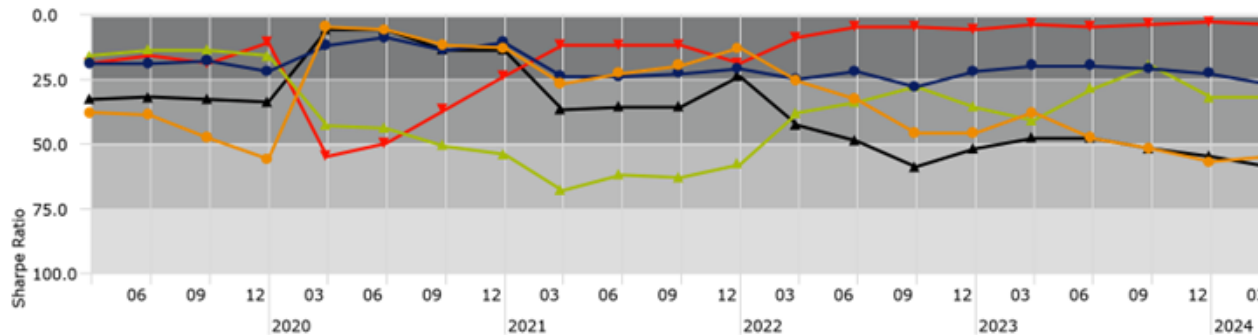
Metropolitan West Total Return Bd Plan Baird Core Plus Bond Inst PGIM Total Return Bond R6
 Victory Core Plus Intermediate Bond R6 Bloomberg US Universal TR USD

Rolling Sharpe Ratio (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Metropolitan West Total Return Bd Plan Baird Core Plus Bond Inst PGIM Total Return Bond R6
 Victory Core Plus Intermediate Bond R6 Bloomberg US Universal TR USD

Source: Morningstar Direct

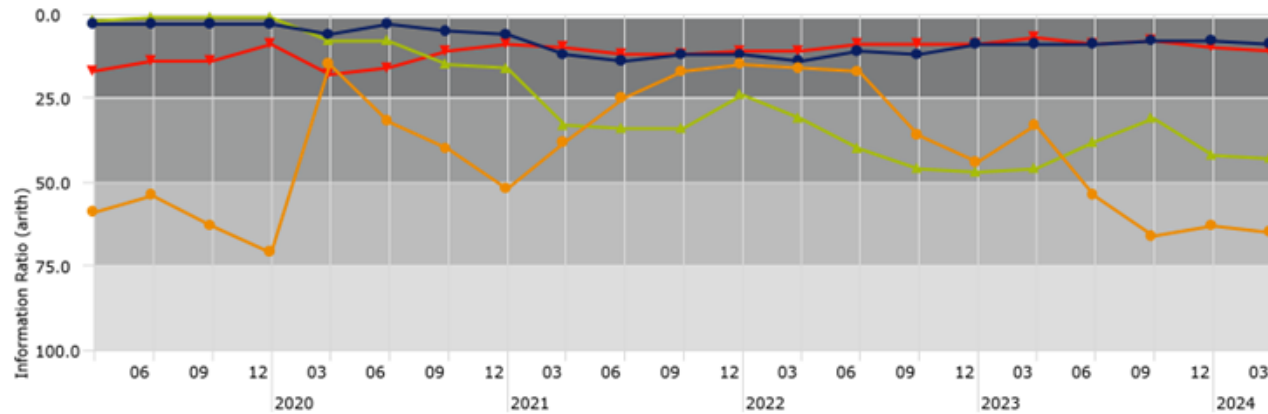
Consistency

Rolling Information Ratio (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



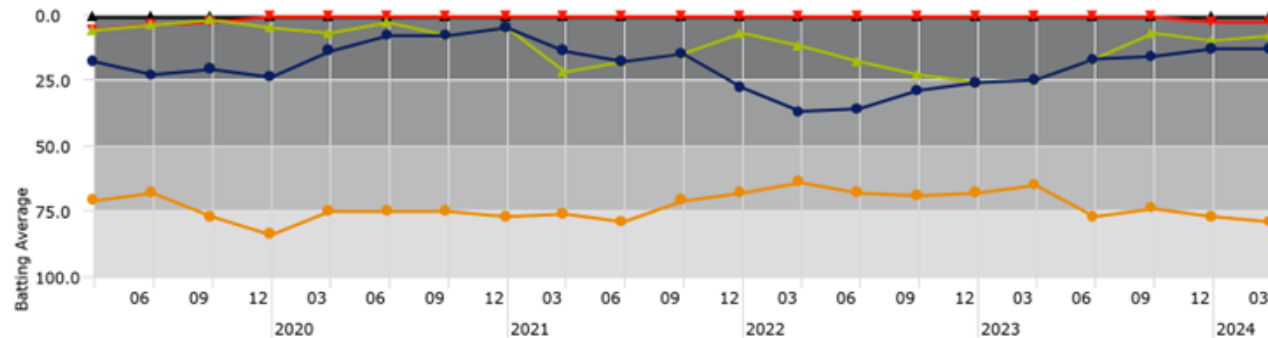
Metropolitan West Total Return Bd Plan Baird Core Plus Bond Inst PGIM Total Return Bond R6
 Victory Core Plus Intermediate Bond R6 Bloomberg US Universal TR USD

Rolling Batting Average (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Metropolitan West Total Return Bd Plan Baird Core Plus Bond Inst PGIM Total Return Bond R6
 Victory Core Plus Intermediate Bond R6 Bloomberg US Universal TR USD

Source: Morningstar Direct

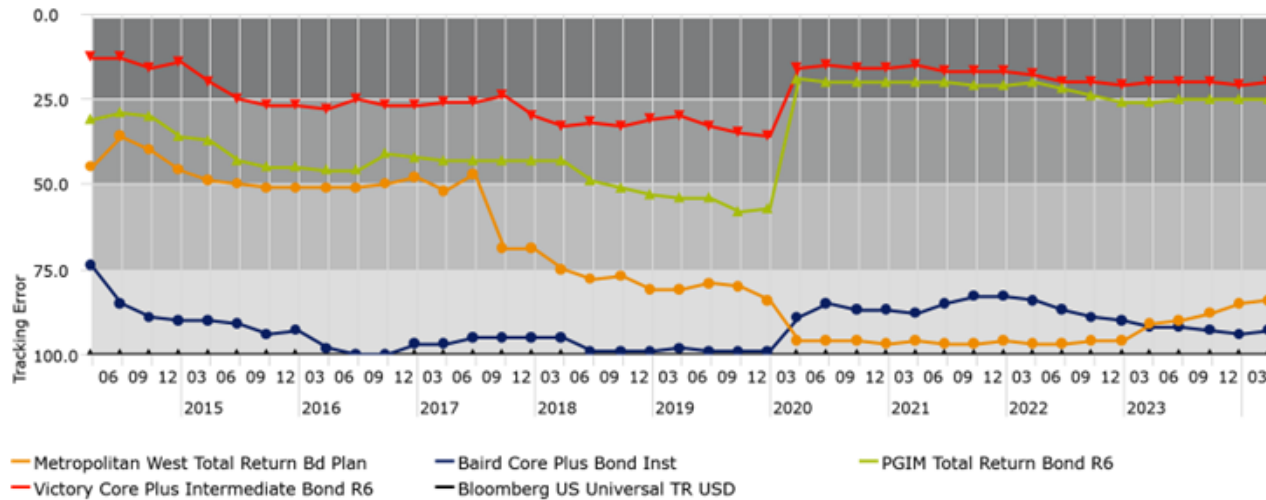
Consistency

Rolling Tracking Error (Descending Rank)

Time Period: 4/1/2009 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile

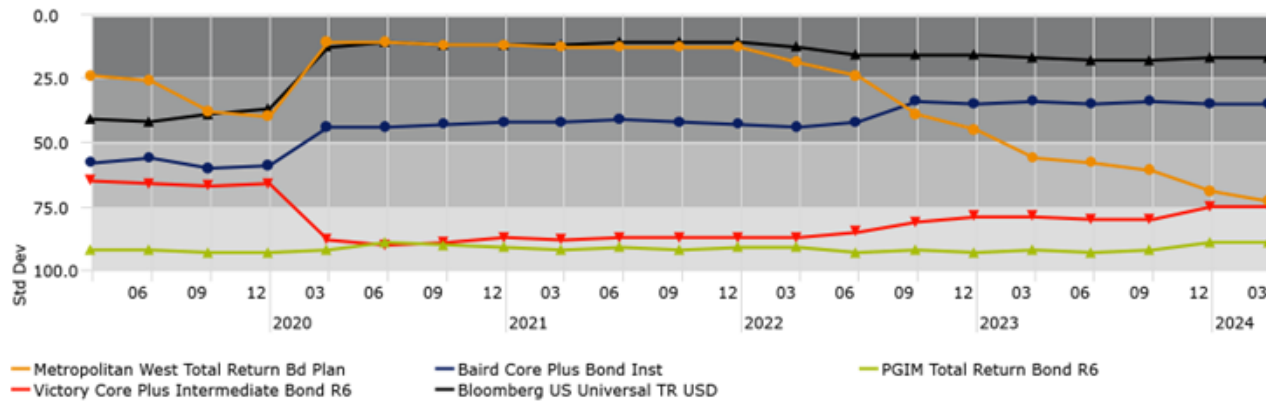


Rolling Standard Deviation (Ascending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Source: Morningstar Direct

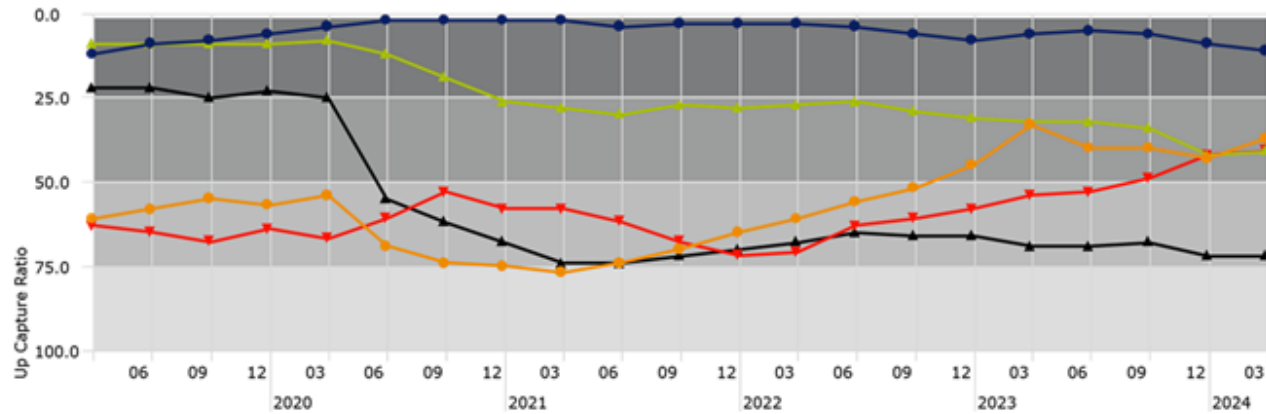
Consistency

Rolling Up Capture (Descending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

■ 1st to 25th Percentile ■ 26th to Median ■ 51st to 75th Percentile ■ 76th to 100th Percentile



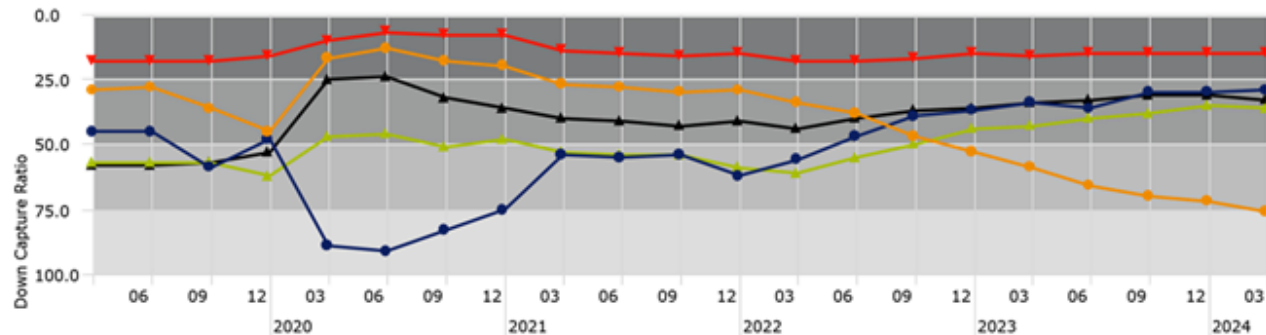
Metropolitan West Total Return Bd Plan Victory Core Plus Intermediate Bond R6 Baird Core Plus Bond Inst
 Dodge & Cox Income X Bloomberg US Universal TR USD

Rolling Down Capture (Ascending Rank)

Time Period: 4/1/2014 to 3/31/2024

Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Bloomberg US Universal TR USD

■ 1st to 25th Percentile ■ 26th to Median ■ 51st to 75th Percentile ■ 76th to 100th Percentile



Metropolitan West Total Return Bd Plan Victory Core Plus Intermediate Bond R6 Baird Core Plus Bond Inst
 Dodge & Cox Income X Bloomberg US Universal TR USD

Source: Morningstar Direct

Baird Core Plus Bond Fund

Baird Core Plus Bond Fund

Quarterly Commentary | December 31, 2023

BAIRD

Baird Funds

QUARTERLY MARKET REVIEW

In 2023, the Fed slowed and likely ended its aggressive tightening campaign as the Core PCE Index fell to 3.2% YoY in November from 4.9% at the start of the year. In a show of support, investors returned to the bond market as fixed income fund/ETF flows were a positive \$159B, reversing the record outflows of -\$345B in 2022. Despite the favorable inflation backdrop and the Fed pausing rate hikes after July, the 2s/10s curve remained inverted throughout the year. Yet, the overarching theme for 2023 was rate and credit spread volatility. After beginning the year at 3.88%, the 10yr yield fell more than 50 bps to 3.31% in April as two mid-size regional banks, Silicon Valley and Signature Bank, both failed. And while some expected the Fed to cut rates in response, they instead utilized targeted borrowing and liquidity measures to address the banking needs. From there, resilient economic data and heavy Treasury issuance led to a significant move up in rates. The 10yr yield rose 168 bps, peaking in mid-October at 4.99%, but the elevated rates were short-lived as one of the strongest year-end market rallies in decades ensued. The 10yr yield fell 111 bps to end the year at 3.88%, exactly the yield at which it began the year. The November/December rally was influenced by slowing inflation but also a Treasury Dept. decision to shift issuance in the quarterly refunding toward bills rather than bonds, easing auction anxiety. Investment grade (IG) corporate spreads ended 2023 at a +99 bps spread to Treasuries, tighter by 31 bps on the year. IG Corporate spreads also exhibited intra-year volatility, reaching spread wides of +163 bps in the wake of the regional bank failures before entering a downward trend through year-end. In the Agency RMBS market, spreads varied from tight of +35 bps to a wide of +82 bps, before settling at +47 bps at year-end. Non-Agency CMBS widened for the year by +24 bps driven primarily by subordinate segments of the market amid concerns regarding office demand post-Covid. Finally, spread tightening in 2023 was greatest for High Yield Corporates (-146 bps) and Emerging Market Debt (-89 bps) on hopes for an economic soft landing.

PERFORMANCE SUMMARY

For the quarter, the Institutional Share Class of the Fund (BCOIX) posted a net return of 7.12% vs. a 6.83% return for the Bloomberg U.S. Universal Index.

Positive contributors to the Fund's relative performance during the quarter include:

- Credit – Overweight investment grade credit and active positioning within investment grade credit (e.g., overweight financials, underweight non-corporate credit, and overweight BBB and 5-10 year credit)
- Securitized – Subsector and security selection decisions within Agency RMBS (e.g., overweight seasoned 3.0%/3.5% coupons and favoring 20yr versus 30yr mortgages in lower coupons)
- Securitized – Overweight non-agency CMBS
- Yield Curve Positioning – Positive convexity tilt of overall portfolio versus the benchmark

Negative contributors to the Fund's relative performance during the quarter include:

- Credit – Underweight high yield emerging market and high yield corporate credit
- Securitized – Underweight agency RMBS, mitigated by increasing exposure post widening

OUTLOOK

The outlook for the fixed income markets in 2024 is favorable, thanks to an inflationary trend that is moving closer to the Fed's 2% target and an acknowledgement, by both the Fed and the market, that the odds have shifted toward rate cuts rather than increases. Signs of economic slowing are emerging as monthly payroll growth has slowed and the US unemployment rate has risen modestly, which seems to align with the Fed's hope for a soft landing in 2024 rather than a recession. Outside of the US, geopolitical risks are elevated with an ongoing war in Ukraine, Israel's full-scale campaign inside Gaza to defeat Hamas and relations between China and the US strained, all of which, combined with the uncertain Fed outlook, will likely lead to continued elevated market volatility. Yet, we expect there to be a gradual normalization of the yield curve toward its traditional upwardly sloped shape in 2024, with economic data dictating the pace and magnitude of change. If short-term rates fall, at least a portion of the massive stockpile of investor cash, currently parked in high-yielding money market funds or other short-term instruments, should seek to extend out along the yield curve. This suggests that positive fund flows should continue in 2024. Even with the Q4 market rally, the yield on the 10yr Treasury at year-end (3.88%) was still more than 300 bps above the lows of 2020 and above the 3.25% average yield on this benchmark security over the last 25 years. The same favorable yield comparisons exist for broad market index yields as well. After significant tightening in 4Q 2023, spreads on investment grade segments of the bond market, such as corporate credit and mortgage-backed securities, are now on the tighter side of a fair value range and represent good value on a more selective basis. However, we expect the spread volatility that was visible in 2023 to continue into 2024, benefitting the patient, active investor. Finally, 2024 is an election year, which is certain to add to market uncertainty as the year progresses; this uncertainty is likely to lead to short-term price volatility although the higher income from bonds insulates investors from this volatility.

TOTAL NET RETURNS

	Total Returns (%)		Average Annual Total Returns (%)				
	YTD	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
BCOIX (Inception: 9/29/00)	6.89	7.12	6.89	-2.67	2.01	2.54	4.80
Bloomberg U.S. Universal Index	6.17	6.83	6.17	-2.97	1.44	2.08	4.14

PORTFOLIO POSITIONING

The Fund remains duration neutral and continues to maintain a modest overweight to investment grade corporate credit, favoring the financial sector, but in the most recent quarter reduced the overweight due to less attractive valuations (spreads). We continue to prefer the risk/reward profile of investment grade credit and select crossover/BB-rated issuers relative to lower-rated segments of U.S. high yield and emerging market debt. We have a modest underweight to agency RMBS and are maintaining an overweight within non-agency securitized sub-sectors at the top of the capital structure given attractive valuations versus both agency RMBS and higher-rated segments of investment grade credit. We continue to find attractive opportunities in spread sectors but on a more selective basis given the significant move tighter in spreads in the quarter.

Consider the investment objectives, risks, charges and expenses of the fund before investing. This and other information can be found in the prospectus which may be obtained by visiting bairdfunds.com or calling 866-442-2473. Read the prospectus carefully before investing.

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost. The fund's current performance may be lower or higher than the performance data quoted. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. For performance current to the most recent month-end, please visit bairdfunds.com.

Baird Core Plus Bond Fund

Quarterly Commentary | December 31, 2023



FUND INFORMATION	Fund	Index
SEC 30-Day Yield ¹	4.49%	N/A
Yield to Worst (Gross)	5.03%	4.84%
Effective Duration	6.00 Years	6.00 Years
Spread Duration	4.06 Years	3.75 Years
Effective Maturity	8.01 Years	8.18 Years
Average Coupon	3.62%	3.34%
Annual Turnover Rate	34.95%	N/A
Number of Holdings	1,558	19,965
Average Portfolio Quality	AA-	AA-

SECTOR PROFILE ^{3,4}	Fund (MV%)	Index (MV%)	Fund (CTD%)	Index (CTD%)
<i>U.S. Government (Non-MBS)</i>	20.1%	36.4%	32.7%	37.1%
U.S. Treasury	20.1%	35.6%	32.7%	36.7%
U.S. Agency (Non-MBS)	0.0%	0.8%	0.0%	0.4%
<i>Credit</i>	47.5%	38.8%	41.4%	39.2%
Industrials	26.9%	18.2%	25.7%	20.0%
Utilities	1.3%	2.3%	1.7%	3.1%
Financials	18.0%	9.8%	12.9%	8.2%
Non-Corporate Credit	1.3%	8.4%	1.0%	7.9%
<i>Securitized</i>	32.1%	24.8%	25.9%	23.7%
U.S. Agency RMBS	19.2%	22.8%	18.3%	22.4%
U.S. Agency CMBS	1.2%	0.7%	0.9%	0.6%
Non-Agency RMBS	4.7%	0.0%	2.9%	0.0%
Non-Agency CMBS	4.6%	0.7%	2.7%	0.5%
ABS	2.4%	0.6%	1.2%	0.3%
<i>Cash</i>	0.3%	0.0%	0.0%	0.0%

DURATION PROFILE ³	Fund	Index
<1 Year	3.3%	0.9%
1-3 Years	23.5%	27.1%
3-5 Years	21.7%	22.7%
5-7 Years	27.4%	18.8%
7-10 Years	8.1%	15.2%
10+ Years	16.1%	15.5%

Fund Inception Date	9/29/00
Strategy	Core Plus
Total Assets (millions)	\$27,851.1
Class	Institutional
Expense Ratio	0.30%
CUSIP	057071870
Ticker	BCOIX

QUALITY PROFILE ^{2,3,4}	Fund (MV%)	Index (MV%)	Fund (CTD%)	Index (CTD%)
U.S. Treasury	20.1%	35.6%	32.7%	36.7%
U.S. Agency	20.4%	24.3%	19.2%	23.4%
AAA	11.8%	3.3%	6.6%	2.2%
AA	3.0%	3.7%	2.8%	4.1%
A	12.5%	12.8%	10.5%	14.2%
BBB	29.6%	13.9%	26.8%	15.4%
Below BBB	2.4%	6.3%	1.2%	4.0%
Not Rated	0.4%	0.1%	0.2%	0.1%

HIGH YIELD PROFILE	Fund (MV%)	Index (MV%)	Fund (CTD%)	Index (CTD%)
Total High Yield	2.4%	6.3%	1.2%	4.0%
- High Yield Credit	2.3%	6.3%	1.2%	4.0%
- High Yield Securitized	0.1%	0.0%	0.1%	0.0%

COUNTRY EXPOSURE ³	Fund
U.S.	81.9%
Non U.S. Developed (Top 3 Countries)	15.8%
- United Kingdom	2.7%
- France	2.3%
- Canada	2.0%
Emerging Market (Top 3 Countries)	2.4%
- Brazil	0.6%
- Mexico	0.6%
- South Korea	0.3%

*All U.S. dollar denominated

¹The SEC 30-Day Yield reflects the rate at which the fund is earning income on its current portfolio of holdings after expenses.

²Per the Baird Funds prospectus, each security in the Fund is assigned the highest credit quality rating provided by a nationally recognized statistical rating organization (e.g. S&P, Moody's, Fitch). Per the Bloomberg index controlling rating methodology, each security in the index is assigned a rating using S&P, Moody's, and Fitch (middle of three ratings, lower of two ratings, or singular rating if rated by one rating agency). Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

³Totals sum based on unrounded data. Breakouts are shown rounded to the nearest tenth and may not visually sum.

⁴MV% is the percent of the portfolio on a market-value weighted basis and %CTD is the percent of the portfolio on a duration-weighted basis.

The Fund may invest in mortgage- and asset-backed securities which may be subject to prepayment risk and thus may be more sensitive to interest rate changes than other types of debt securities. The Fund may also invest in U.S. dollar denominated securities issued by foreign issuers which involve additional risks including political and economic instability, differences in financial reporting standards and less regulated securities markets. While the U.S. government has historically provided financial support to various U.S. government-sponsored agencies, no assurance can be given that it will do so in the future if it is not obligated by law.

Material is incomplete if not accompanied or preceded by a prospectus.

Baird Funds are offered through Robert W. Baird & Co., a registered broker/dealer, member NYSE and SIPC. Robert W. Baird & Co. also serves as investment advisor for the Fund and receives compensation for these services as disclosed in the current prospectus.

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Baird Core Plus Bond Fund

December 31, 2023



Baird Advisors

Portfolio Management Team

BAIRD

Strategic Leaders



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Co-Chief Investment Officer
President of Baird Funds



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Co-Chief Investment Officer



Charles B. Groeschell
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Senior Portfolio Manager



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Systems Analyst



Amy M. Johnson
Managing Director
Portfolio Analyst



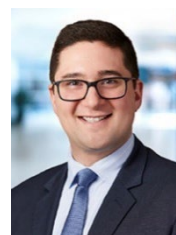
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Investment Analyst



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Baird Advisors

Portfolio Management Team

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Securitized



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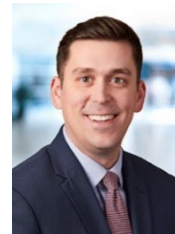


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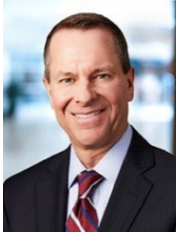


Shreeya Aryal
Investment Analyst

Baird Advisors

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Senior Portfolio Manager



Heidi L. Schneider, CFA, CPA
Managing Director
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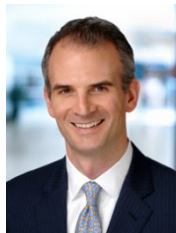
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Vice President of Baird Funds



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Senior Business Analyst
Treasurer of Baird Funds



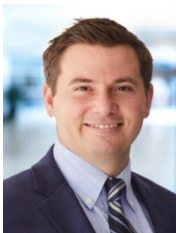
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Kathleen R. Ruidl
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Client Services



Bridget D. Kempf
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Portfolio Analyst



Kayla J. Hollenbeck
Vice President
Client Services



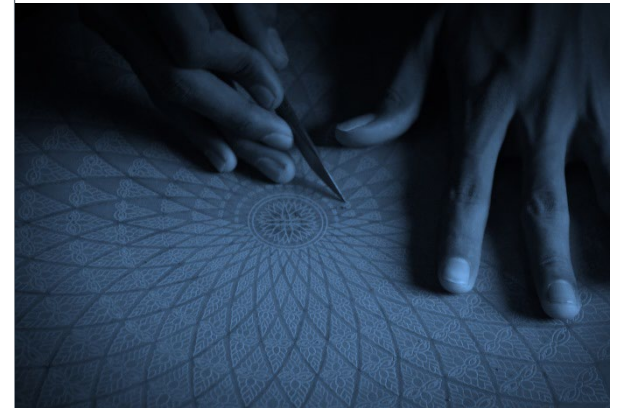
Caroline R. Murphy
Vice President
Client Services

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Section 1

Firm/Team Overview

Firm Update

1919 founded in Milwaukee

2004 Baird becomes employee-owned

5,100 Associates (Over 80% are shareholders)

BAIRD



20 consecutive years



12 consecutive years



5 years

Kiplinger

Baird Aggregate Bond Fund added to **The Kiplinger 25** list of the best no-load mutual funds



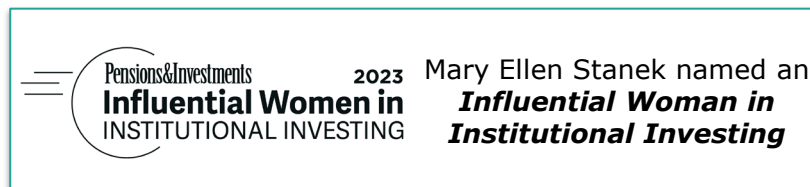
7 years

BARRON'S

A Top-Performing Muni Fund That Ventures Where Others Don't (8/9/23)
Baird Strategic Municipal Bond Fund

MORNINGSTAR

How to Use Taxable Bonds in a Portfolio (8/14/23)
Four Baird Bond Funds highlighted in list of seven Highly Rated Taxable-Bond Funds (Actively Managed Funds)



Mary Ellen Stanek named an **Influential Woman in Institutional Investing**



Awards 2022

Mary Ellen Stanek **Morningstar Outstanding Portfolio Manager Award 2022**



Awards 2023

Baird Asset Management named 1 of 3 nominees for the 2023 **Morningstar Exemplary Stewardship Award**



Baird Core Plus, Aggregate, Short-Term and Ultra Short Bond Funds receive **Morningstar's highest gold rating**



Baird Funds recognized as the **#1 Fund Family** out of the Largest 150 Fund Families



Baird Aggregate, Core Plus, Short-Term and Core Intermediate Muni Bond Funds selected for Morningstar's **Thrilling 30** mutual fund list out of more than 15,000 fund share classes



REFINITIV LIPPER FUND AWARDS

2023 WINNER UNITED STATES

Baird Strategic Municipal Bond Fund: **Best Fund** over 3 years in the Short-Intermediate Municipal Debt category



REFINITIV LIPPER FUND AWARDS

2022 WINNER UNITED STATES

Baird Short-Term Municipal Bond Fund: **Best Fund** over 3 & 5 years in the Short Municipal Debt category

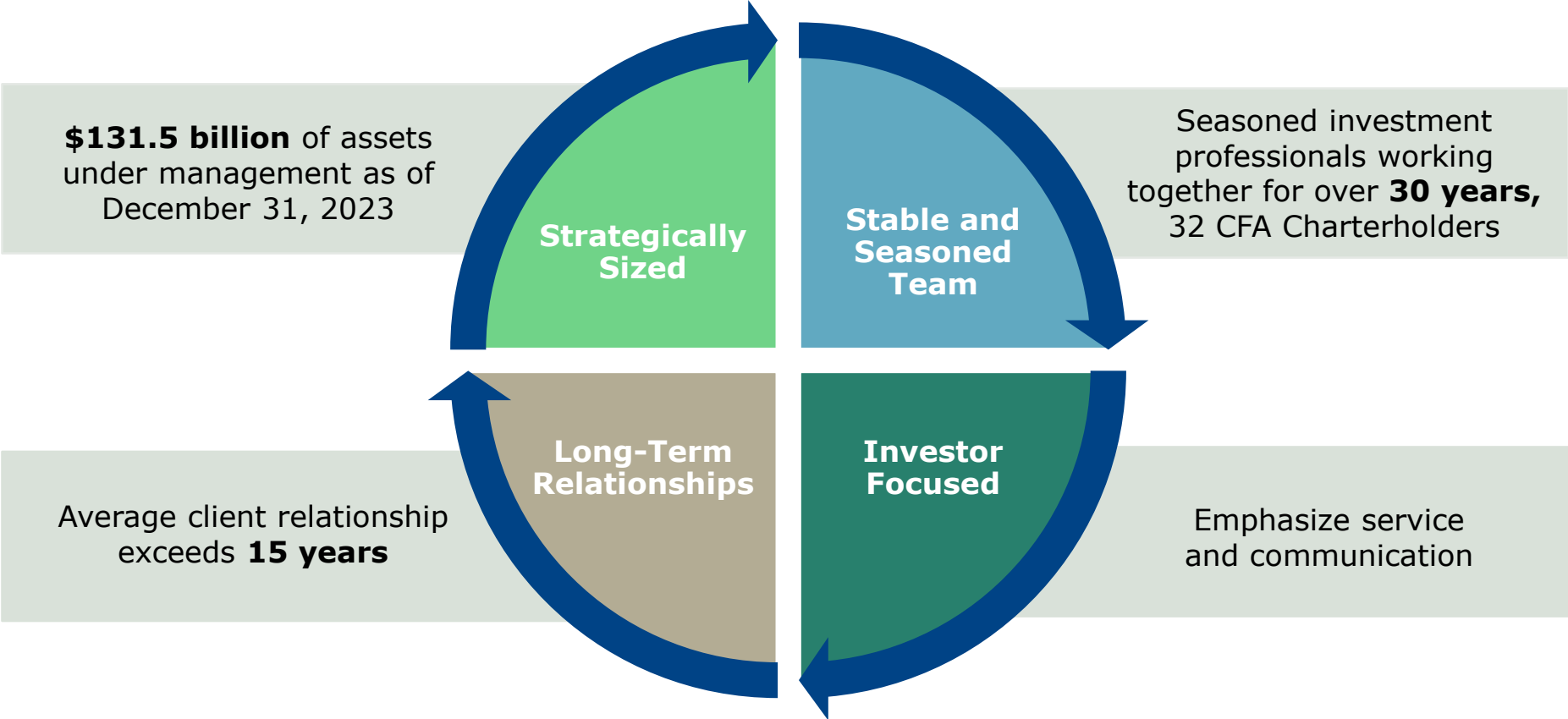
Baird Funds Signatory of:



Past performance is no guarantee of future results. "Fund Family 150" by Michael Laske, published as of March 2, 2021 © 2021 Morningstar Research Services LLC. All Rights Reserved. Based on a rank of asset-weighted fund scores for the 150 largest US fund families compared in the report. Morningstar Awards 2022©. Morningstar, Inc. All Rights Reserved. Morningstar Awards 2023(c). Morningstar, Inc. All Rights Reserved. Baird Asset Management nominated for 2023 U.S. Morningstar Exemplary Stewardship award. ©2023 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. From Fortune. ©2023 Fortune Media IP Limited All rights reserved. Fortune and Fortune 100 Best Companies to Work For® are registered trademarks of Fortune Media IP Limited and are used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse products or services of, Baird. From FORTUNE. ©2023 FORTUNE Media IP Limited. All rights reserved. Used under license. FORTUNE and FORTUNE Media IP Limited are not affiliated with, and do not endorse the products or services of, Baird. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is an objective, quantitative, risk-adjusted performance measure calculated over 36, 60 and 120 months. Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. For more information, see lipperfundawards.com. PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.

Baird Advisors Overview

Experienced Team with a Competitive Track Record in High-Quality Fixed Income Management



Baird Advisors

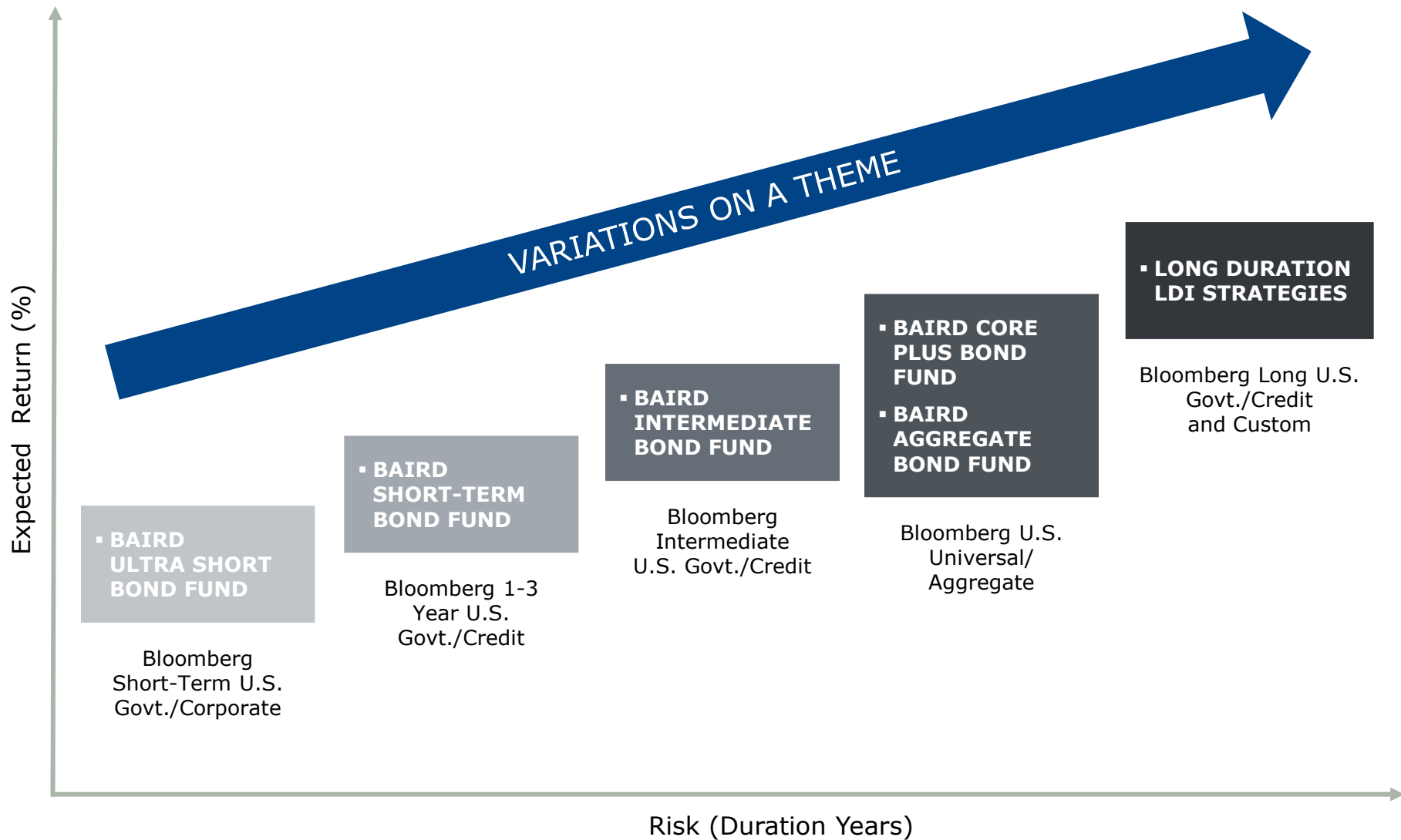
Competitive Advantages

- Experienced team of investment professionals
- Risk-controlled discipline delivering over 35 years of competitive returns
- Consistency of returns versus peers
- Strategically sized, emphasizing bottom-up versus top-down approach
- All cash bonds, all U.S. dollar-denominated, no derivatives, no leverage
- Attractive expense ratio benefits future returns (30 bps Institutional Class)
- Employee-owned, strong financial services firm



Structured, Risk-Controlled Taxable Portfolio Management

Consistent Approach Applied Across Risk Spectrum



Taxable Investment Vehicles

Separate Account

(Investment Management Fees Only)¹

- \$200,000,000 Account Minimum
- Tiered Fee Structure
 - 30 basis points on the first \$100 Million
 - 20 basis points on the next \$100 Million
 - 15 basis points on the balance

No Load Mutual Funds²

- Institutional Class
 - \$10,000 Minimum
 - 0.30% Expense Ratio³
- Investor Class
 - \$2,500 Minimum
 - 0.55% Expense Ratio³ which includes a 0.25% 12b-1 fee

¹Custody charges typically higher for separate account applications due to the number of assets and transactions.

²Includes all custody charges associated with the underlying portfolio of the mutual fund.

³The Advisor has contractually agreed to waive management fees for the Baird Ultra Short Bond Fund in an amount equal to an annual rate of 0.15% of the average daily net assets for the Fund until April 30, 2024. The agreement may only be terminated prior to the end of this term by or with the consent of the Board of Directors of Baird Funds, Inc.

Baird Taxable Bond Funds

Total Net Returns, Institutional Class, as of December 31, 2023



	Annualized						Since Inception Lipper Rank & Percentile
	Q4 2023	2023	3-Year	5-Year	10-Year	Since Inception ²	
Baird Core Plus Bond Fund – BCOIX	7.12%	6.89%	-2.67%	2.01%	2.54%	4.80%	6 of 50
Bloomberg U.S. Universal Index	6.83%	6.17%	-2.97%	1.44%	2.08%	4.14%	12%
<i>Added Value (bps)</i>						+66	
Baird Aggregate Bond Fund – BAGIX	7.20%	6.43%	-3.14%	1.56%	2.25%	4.34%	12 of 126
Bloomberg U.S. Aggregate Index	6.82%	5.53%	-3.31%	1.10%	1.81%	3.87%	10%
<i>Added Value (bps)</i>						+47	
Baird Intermediate Bond Fund – BIMIX	4.64%	5.78%	-1.60%	1.84%	1.98%	4.03%	5 of 33
Bloomberg Intermediate U.S. Govt/Credit Index	4.56%	5.24%	-1.63%	1.59%	1.72%	3.63%	15%
<i>Added Value (bps)</i>						+40	
Baird Short-Term Bond Fund – BSPIX	3.00%	5.65%	0.46%	2.04%	1.78%	2.50%	28 of 109
Bloomberg 1-3 Year U.S. Govt/Credit Index	2.69%	4.61%	0.09%	1.51%	1.27%	2.09%	26%
<i>Added Value (bps)</i>						+41	
Baird Ultra Short Bond Fund – BUBIX¹	1.76%	5.71%	2.26%	2.31%	1.79%	1.79%	15 of 69
Bloomberg Short-Term U.S. Govt/Corporate Index	1.58%	5.19%	1.97%	1.98%	1.41%	1.41%	22%
<i>Added Value (bps)</i>						+38	

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost. The funds' current performance may be lower or higher than the performance data quoted. For performance current to the most recent month-end, please visit www.bairdfunds.com.

¹ Expense Ratio for the Institutional Share Classes is 0.30%; for the Investor Share Classes is 0.55%. The Advisor has contractually agreed to waive management fees for the Baird Ultra Short Bond Fund in an amount equal to an annual rate of 0.15% of the average daily net assets for the Fund until April 30, 2024. The agreement may only be terminated prior to the end of this term by or with the consent of the Board of Directors of Baird Funds, Inc.

Returns shown include the reinvestment of all dividends and capital gains.

² The Baird Core Plus, Aggregate and Intermediate Bond Funds Since Inception net returns are based on performance from September 30, 2000 through December 31, 2023. The Baird Short-Term Bond Fund Since Inception net return is based on performance from August 31, 2004 through December 31, 2023. The Baird Ultra Short Bond Fund Since Inception net return is based on performance from December 31, 2013 through December 31, 2023.

Consistency is Key

Baird Taxable Bond Funds – Institutional Shares

Percentage of Time Funds Outperform Their Morningstar Category Average					
Rolling Time Periods	Baird Ultra Short Bond	Baird Short-Term Bond	Baird Intermediate Bond	Baird Aggregate Bond	Baird Core Plus Bond
1 Year	73%	83%	59%	88%	79%
2 Year	91%	92%	62%	92%	89%
3 Year	99%	98%	62%	100%	98%
5 Year	100%	100%	64%	100%	100%

Source: Morningstar Direct as of December 31, 2023.

Performance numbers used are through each month end period from each fund's inception date.

The Baird Core Plus, Aggregate and Intermediate Bond Funds Since Inception net returns are based on performance from September 30, 2000 through December 31, 2023.

The Baird Short-Term Bond Fund Since Inception net return is based on performance from August 31, 2004 through December 31, 2023.

The Baird Ultra Short Bond Fund Since Inception net return is based on performance from December 31, 2013 through December 31, 2023.

All supporting information available upon request.
Past performance does not guarantee future results.

Section 2

Baird Core Plus Bond Fund

Investment Philosophy & Process:

Two-Fold Approach

Step 1: Structure Portfolio to Achieve Return of the Benchmark

Step 1: Structure Portfolio to Achieve Return of the Benchmark	
Complete Understanding of the Benchmark	<ul style="list-style-type: none">▪ Quantify duration, sector and subsector weightings▪ Evaluate pricing, turnover and projected changes to benchmark▪ Purchase only U.S. dollar-denominated securities
Remain <i>Duration Neutral</i> to Control Portfolio Risk	<ul style="list-style-type: none">▪ Precisely match duration to index at all times▪ Immediately adjust portfolio as contributions and withdrawals occur▪ Rebalance at month-end to match benchmark changes
Maintain Strict Adherence to Portfolio Guidelines	<ul style="list-style-type: none">▪ Continuously monitor risk-control measures▪ Use scenario analysis▪ Compliance systems for all portfolio trades
Emphasis on Security Structure/Credit Research	<ul style="list-style-type: none">▪ Evaluate specific security covenants, cash flows and liquidity concerns▪ Assess company financials and management▪ Consider prospects for sector and position in industry

Investment Philosophy & Process: Two-Fold Approach

Step 2: Add Incremental Value through Bottom-Up, Risk-Controlled Process

Sources of Added Value:

Yield Curve Positioning	<ul style="list-style-type: none">▪ Optimize yield and “roll down”▪ Analyze yield curve on a continual basis
Sector Allocation	<ul style="list-style-type: none">▪ Evolve sector allocations around long-term biases▪ Focus on relative value▪ Yield spreads and underlying risks change constantly
Security Selection	<ul style="list-style-type: none">▪ Structure▪ Attributes▪ Liquidity
Competitive Execution	<ul style="list-style-type: none">▪ Capitalize on market inefficiencies▪ Receive timely market information▪ Utilize long-standing dealer relationships

Consistent,
Competitive
Performance Over
Complete Market
Cycles

We seek to consistently add 15-50 basis points of incremental return

Risk Controls in Taxable Portfolio Construction



DURATION NEUTRAL TO BENCHMARK



U.S. TREASURY AND GOVERNMENT AGENCY SECURITIES

- Emphasized for long duration exposures
- Used to match duration



CREDIT SECURITIES

- Overall credit positioning generally shorter on the yield curve versus respective benchmark
- Emphasize sectors and industries that give high priority to stable credit rating
- Broad issuer diversification overall; increases for lower credit quality



MORTGAGE-BACKED AND ASSET-BACKED SECURITIES

- Favor more prepayment protection than U.S. Government Agency MBS (positive convexity “tilt”)
- Focus on most senior class in deal structure if Non-U.S. Government guaranteed



CASH BONDS

- No foreign currency
- No derivatives
- No leverage



ONGOING PORTFOLIO MONITORING

- Continuous review of portfolios for adherence to stated guidelines and objectives

RISK CONTROL IS THE FOUNDATION OF OUR INVESTMENT DISCIPLINE

Baird Core Plus Bond Fund

Portfolio Characteristics as of December 31, 2023



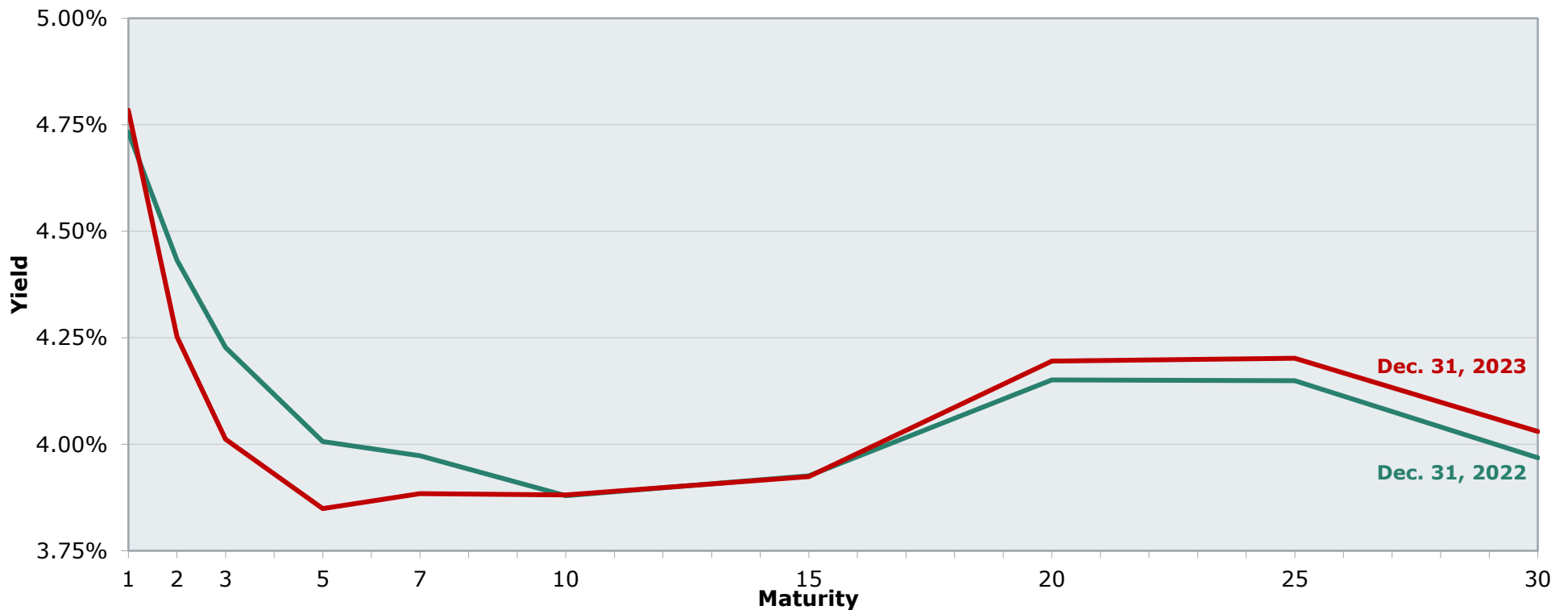
Change since 12/31/21 (bps)

Yield to Worst (Gross)	+301	5.03%	+276	4.84%	Portfolio Yield Advantage +0.19% to Universal Index +0.50% to Aggregate Index
Average Coupon		3.62%		3.34%	
Effective Duration		6.00 years		6.00 years	
Effective Maturity		8.01 years		8.18 years	

	Baird Core Plus Bond Fund	Bloomberg U.S. Universal Index	Baird Core Plus Bond Fund	Bloomberg U.S. Universal Index
Quality Breakdown	% Market Value		% Contribution to Effective Duration	
U.S. Treasury	20.1	35.6	32.7	36.7
U.S. Agency	20.4	24.3	19.2	23.4
AAA	11.8	3.3	6.6	2.2
AA	3.0	3.7	2.8	4.1
A	12.5	12.8	10.5	14.2
BBB	29.6	13.9	26.8	15.4
Below BBB	2.8	6.4	1.4	4.0
Total	100.0%	100.0%	100.0%	100.0%
Sector Breakdown				
<i>U.S. Government (Non-MBS)</i>	20.1	36.4	32.7	37.1
U.S. Treasury	20.1	35.6	32.7	36.7
U.S. Agency (Non-MBS)	0.0	0.8	0.0	0.4
<i>Credit</i>	47.5	38.8	41.4	39.2
Industrials	26.9	18.2	25.7	20.0
Utilities	1.3	2.3	1.7	3.1
Financials	18.0	9.8	12.9	8.2
Non-Corporate Credit	1.3	8.4	1.0	7.9
<i>Securitized</i>	32.1	24.8	25.9	23.7
U.S. Agency RMBS	19.2	22.8	18.3	22.4
U.S. Agency CMBS	1.2	0.7	0.9	0.6
Non-Agency RMBS	4.7	0.0	2.9	0.0
Non-Agency CMBS	4.6	0.7	2.7	0.5
ABS	2.4	0.6	1.2	0.3
<i>Cash</i>	0.3	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%
Number of Issues	1,558	19,965		
Market Value	\$27,851,068,160			

The average portfolio yield-to-worst (YTW) is the lowest estimated yield that can be received on a callable bond at current market price absent a default. The YTW is calculated by using the lower of yield-to-maturity or yield-to-call (an earlier date that the issuer could redeem the bond). The weighted average YTW of a Fund does not include fund fees and expenses. SEC 30-day Yields Institutional Class = 4.49%, Investor Class = 4.24% as of 12/31/23. Below BBB category includes non-rated bonds. Totals sum based on unrounded data. Breakouts are shown rounded to the nearest tenth and may not visually sum. Per prospectus, the fund assigns each security the highest rating provided by a NRSRO. Per Bloomberg, the index assigns a rating based on S&P, Moody's, and Fitch ratings only (middle of three ratings, lower of two, or singular rating).

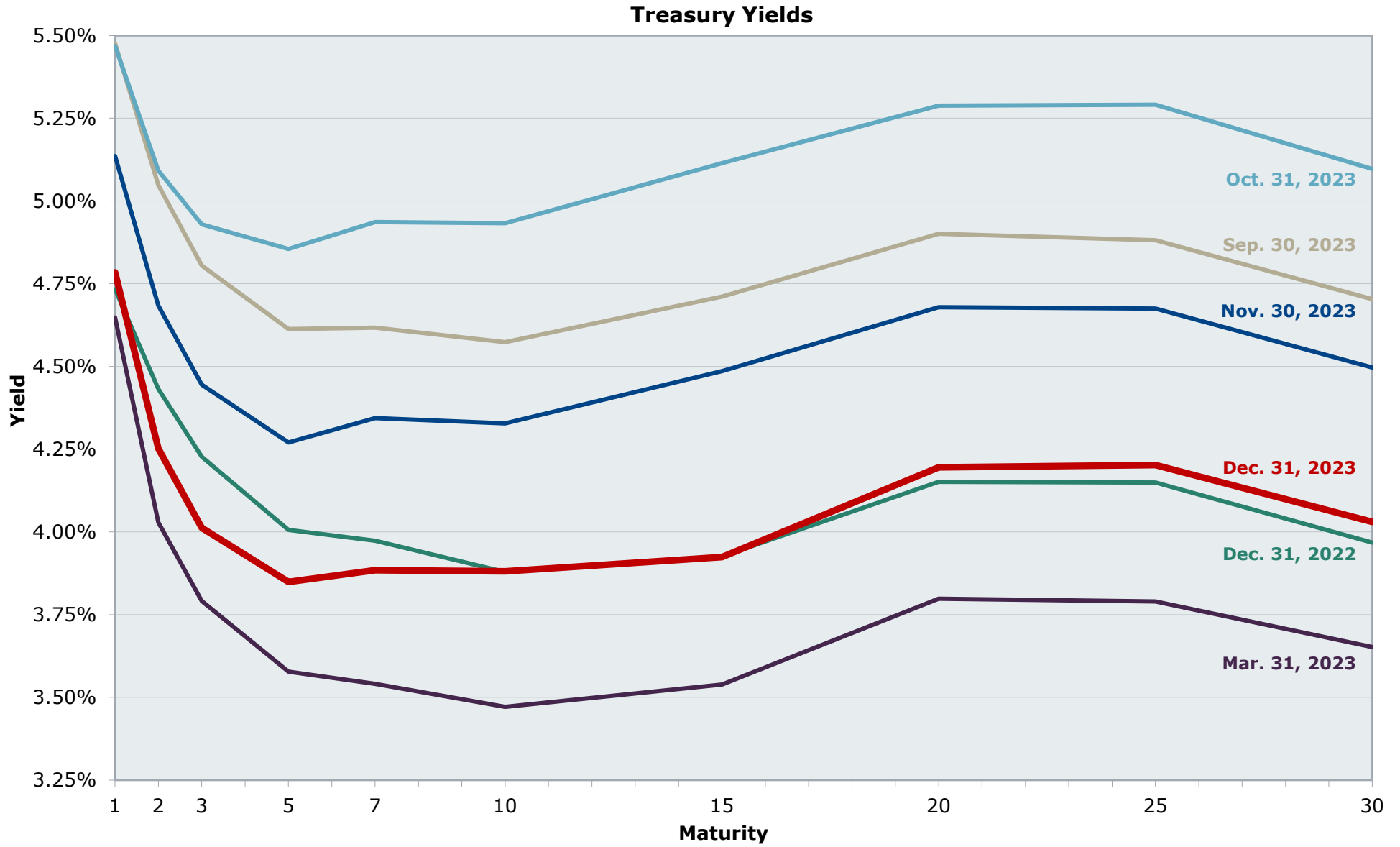
Treasury Yields Virtually Unchanged YoY...



Maturity	December 31, 2022	December 31, 2023	2023 Change	Q4 Change
1	4.73%	4.78%	0.05%	-0.70%
2	4.43%	4.25%	-0.18%	-0.80%
3	4.23%	4.01%	-0.22%	-0.80%
5	4.01%	3.85%	-0.16%	-0.76%
7	3.97%	3.88%	-0.09%	-0.74%
10	3.88%	3.88%	0.00%	-0.69%
20	4.15%	4.20%	0.05%	-0.70%
30	3.97%	4.03%	0.06%	-0.67%

Source: Bloomberg
Data as of: 12/31/23

...But Varied Widely During 2023!



Source: Bloomberg
Data as of: 12/31/23

Spreads Tighter Overall in 2023

Except for Non-Agency CMBS

Option-Adjusted Spreads (bps)						
	12/31/22	March 2023 Wides	12/31/23	2023 Change	Q4 Change	10 Year Average
U.S. Aggregate Index	51	62	42	-9	-10	47
U.S. Agency Sector (Non-MBS)	26	31	17	-9	1	16
MBS and ABS Sectors						
U.S. Agency Pass-Throughs	51	65	47	-4	-19	35
U.S. Agency CMBS	52	69	48	-4	-6	N/A
Non-Agency CMBS	179	215	203	24	0	120
AAA-Rated	139	169	146	7	-1	100
BBB-Rated	675	944	1122	447	34	468
Consumer ABS	76	86	68	-8	1	55
Investment Grade Credit Sectors						
U.S. Corporates	130	163	99	-31	-22	124
Industrials	125	151	90	-35	-20	127
Utilities	129	154	105	-24	-17	122
Financials	140	188	112	-28	-28	119
Other Govt. Related	66	71	55	-11	-1	82
High Yield Credit Sectors						
U.S. High Yield Corporates	469	516	323	-146	-71	425
Emerging Market Debt ¹	687	772	598	-89	-50	600

¹ Emerging Market Debt is a subindex of the Bloomberg U.S. Universal Index and is primarily rated below Investment Grade.
Source: Bloomberg, Barclays
Data as of: 12/31/23

Benefits

- Long-term relationships focused on client and direct communication
- Experienced management team implementing proven investment discipline
 - Structured, risk-controlled process
 - No derivatives, no non-\$ currency exposure, no leverage
 - Focus on **bottom-up** added value from sector allocation and security selection
- Total focus on fixed income management
- Culture and resources key to future success
- Importance of the relationship to Baird Advisors

Important Disclosures

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This, and other information can be found in the prospectus or summary prospectus. A prospectus or summary prospectus may be obtained by visiting www.bairdfunds.com. Please read the prospectus or summary prospectus carefully before you invest or send money.

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed, may be worth more or less than their original cost. The funds' current performance may be lower or higher than the performance data quoted. For performance current to the most recent month-end, please visit www.bairdfunds.com.

Funds may invest in U.S. dollar denominated foreign securities which involve additional risks such as the potential for political and economic instability and less strict regulation. The Fund may also invest in mortgage and asset-backed securities which include interest rate and prepayment risks more pronounced than those of other fixed income securities.

Baird Funds are offered through Robert W. Baird & Co., a registered broker/dealer, member NYSE and SIPC. Robert W. Baird & Co. also serves as investment advisor for the Fund and receives compensation for these services as disclosed in the current prospectus.

Lipper rankings are based on average annual total returns for the 1, 3, 5, 10-year/life periods for each respective Lipper category. Baird Core Plus Bond Fund is ranked among the Core Plus Bond Funds, Baird Aggregate Bond Fund is ranked among the Core Bond Funds, Baird Intermediate Bond Fund is ranked among Short-Intermediate Investment Grade Debt Funds, Baird Short-Term Bond Fund is ranked among the Short Investment Grade Debt Funds, Baird Ultra Short Bond Fund is ranked among the Ultra-Short Obligations Funds, Baird Quality Intermediate Municipal and Baird Core Intermediate Municipal Bond Funds are ranked among the Intermediate Municipal Debt Funds, Baird Municipal Bond Fund is ranked among the General & Insured Municipal Debt Funds, Baird Strategic Municipal Bond Fund is ranked among the Short-Intermediate Municipal Debt Funds and Baird Short-Term Municipal Bond Fund is ranked among the Short Municipal Debt Funds. Each fund is ranked based on average annual total returns assuming reinvestment of dividends and capital gains, distributions, at net asset value and the deduction of all fund expenses. Past performance is no guarantee of future results.

Morningstar categories: Baird Core Plus Bond Fund is ranked within the Intermediate Core-Plus Bond Fund category (Overall: 568 funds, 3-year period: 568, 5-year period: 536, 10-year period: 375). Baird Aggregate and Baird Intermediate Bond Fund are ranked within the Intermediate Core Bond Fund category (Overall: 425 funds, 3-year period: 425, 5-year period: 385, 10-year period: 277). Baird Short-Term Bond Fund is ranked within the Short-Term Bond Fund category (Overall: 535 funds, 3-year period: 535, 5-year period: 495, 10-year period: 357). Baird Ultra Short Bond Fund is ranked within the Ultrashort Bond Fund category (Overall: 205 funds, 3-year period: 205, 5-year period: 184, 10-year period: 104). Baird Quality Intermediate, Baird Core Intermediate, and Baird Strategic Municipal Bond Funds are ranked within the Municipal National Intermediate Bond Fund category (Overall: 259 funds, 3-year period: 259, 5-year period: 236, 10-year period: 176). Baird Short-Term Municipal Bond Fund is ranked within the Municipal National Short Bond Fund category (Overall: 212 funds, 3-year period: 212, 5-year period: 200). Baird Municipal Bond Fund is ranked within the Municipal National Long Bond Fund category (Overall: 163 funds, 3-year period: 163).

The quality profile is calculated on a market value-weighted basis using the highest credit quality rating given by S&P, Moody's or Fitch for each security in the fund. Per the Baird Funds prospectus, each security in the bond fund is assigned the highest credit quality rating provided by a nationally recognized statistical rating organization (e.g. S&P, Moody's, Fitch). Per the Bloomberg index controlling rating methodology, each security in the index is assigned a rating using S&P, Moody's, and Fitch (middle of three ratings, lower of two ratings, or singular rating if rated by one rating agency).

Victory Core Plus Intermediate Bond Fund

Q4 // DECEMBER 31, 2023

FUND FACTS

Class	Inception Date	Ticker	Expense Ratio:	
			Gross	Net
A	08/02/10	UITBX	0.93%	0.92%
C	06/29/20	UITCX	2.82%	1.56%
Fund	08/02/99	USIBX	0.67%	0.66%
Inst	08/01/08	UIITX	0.62%	0.59%
R6	12/01/16	URIBX	0.44%	0.42%

Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through August 31, 2024.

Investment Style

Intermediate Core-Plus Bond

Investment Objective and Strategy

The Fund seeks high current income without undue risk to principal. The Fund invests primarily in investment grade securities and at least 80% of its assets in debt securities that have a dollar-weighted average portfolio maturity between 3 to 10 years. These securities include obligations of U.S., state, and local governments, and their agencies and instrumentalities, mortgage- and asset-backed securities, corporate debt securities, repurchase agreements, and other securities with debt-like characteristics. The Fund may invest up to 65% its assets in corporate bonds, up to 10% of its assets in high-yield securities, and up to 20% of its assets in foreign securities.

About the Fund

- Potential stability of bonds can help balance the volatility of stocks.
- Provides greater income potential than short-term bond funds.
- Diversified; seeks to help protect principal.

Portfolio Managers

Kurt Daum, J.D. Since 2016.
Brian Smith, CFA, CPA. Since 2013.
John Spear, CFA. Since 2016.
Jim Jackson, CFA. Since 2019.
Neal Graves, CFA, CPA. Since 2019.

PERFORMANCE

Average Annual Total Returns (%)

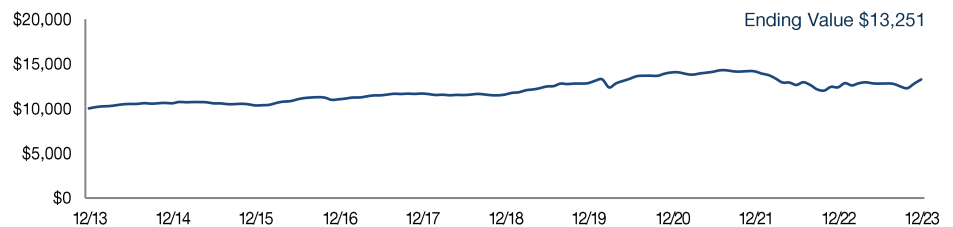
As of December 31, 2023	Q4 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
A Shares, without sales charge	6.28	6.90	6.90	-2.15	2.52	2.59	3.54
A Shares, with sales charge (max. 2.25%)	3.90	4.45	4.45	-2.88	2.07	2.35	3.37
Fund Shares	6.33	7.16	7.16	-1.90	2.78	2.86	4.83
Institutional Shares	6.23	7.24	7.24	-1.83	2.84	2.93	4.85
Bloomberg U.S. Aggregate Bond Index	6.82	5.53	5.53	-3.31	1.10	1.81	-

Calendar Year Performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A Shares, without sales charge	5.61	-2.51	6.30	5.64	-1.37	10.87	9.08	0.61	-12.90	6.90
A Shares, with sales charge (max. 2.25%)	3.19	-4.71	3.95	3.26	-3.64	8.41	6.60	6.60	-14.84	4.45
Fund Shares	5.75	-2.29	6.67	5.90	-0.99	11.06	9.35	0.89	-12.67	7.16
Institutional Shares	5.88	-2.20	6.84	5.87	-0.92	11.12	9.42	0.95	-12.61	7.24
Bloomberg U.S. Aggregate Bond Index	5.97	0.55	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53

Past performance does not guarantee future results. The performance quoted represents past performance and current performance may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, visit www.vcm.com. Returns include reinvestment of dividends and capital gains. Performance for periods greater than one year is annualized. Fee waivers and/or expense reimbursements were in place for some or all periods shown, without which, fund performance would have been lower.

Growth of a Hypothetical \$10,000 Investment Fund Shares (12/31/2013–12/31/2023)



MORNINGSTAR RATINGS AND RANKINGS

	Overall	3 Year	5 Year	10 Year
Morningstar Rating	★★★★★	★★★★	★★★★★	★★★★★
Morningstar Ranking (%)	—	13	6	5
# of Funds	568	568	536	375

Morningstar Category: Intermediate Core-Plus Bond. Morningstar ratings and rankings are based on the Fund share class.

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 Morningstar Rating does not include any adjustment for sales loads. 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 10-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% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Morningstar percentile ranking is based on a fund’s average annual total return (excluding sales charges) relative to all funds in the same category. The highest (most favorable) percentile rank is 1%, and the lowest (least favorable) percentile rank is 100%. Fund performance used for the rankings reflects certain fee waivers, without which, Morningstar rankings would have been lower and Morningstar ratings may have been lower.

Not FDIC Insured • May Lose Value • No Bank Guarantee

PORTFOLIO INFORMATION As of December 31, 2023

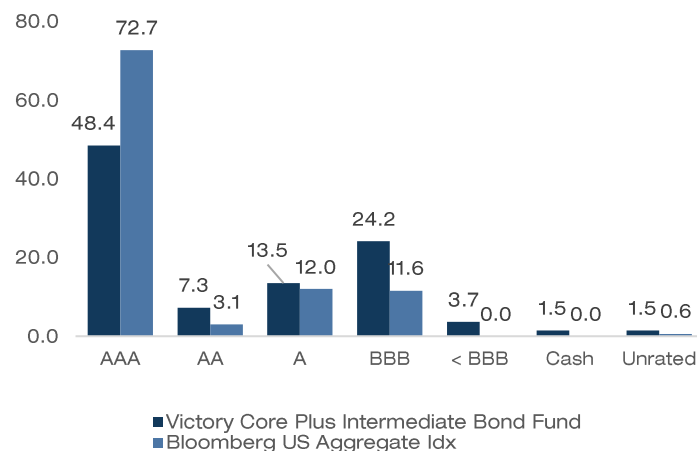
Top Ten Issuers	% Fund
US Government	35.88
Hertz Vehicle Financing LLC	0.92
Evgrn	0.84
Aesop	0.82
American Airlines Group Inc	0.72
Fordr 2023-1	0.67
Wells Fargo & Company	0.67
United Airlines	0.64
Barhn 2023-1	0.58
Tcct	0.58
Total	42.32

Issuers are subject to change.

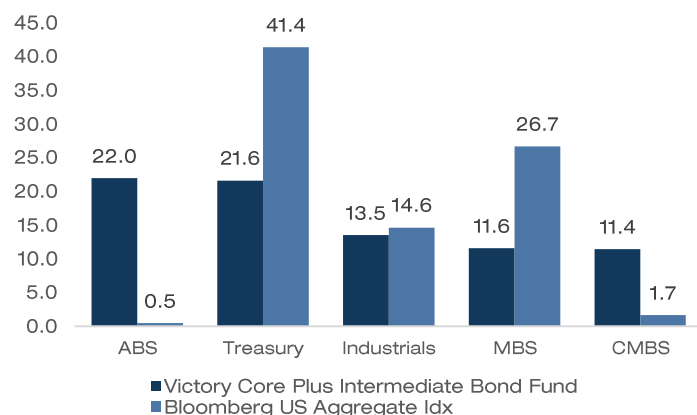
General Statistics	Fund	Bloomberg US Aggregate Idx
Net Assets (\$)	3.8B	-
Average Effective Duration (years)	5.4	6.2
Number of Securities	963	13,380
30-Day SEC Yield Subsidized	4.74%	-
30-Day SEC Yield Unsubsidized	4.74%	-

Yields shown reflects the Fund share class.

Credit Quality (% Fund)



Top 5 Sectors (% Fund)



Carefully consider a fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other important information, visit www.vcm.com/prospectus. Read it carefully before investing.

Not all share classes are available to all investors.

All investing involves risk, including the potential loss of principal. In addition to the normal risks associated with investing, fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. Bonds and bond funds will decrease in value as interest rates rise and vice versa. Credit risk refers to the possibility that debt issuers may not be able to make principal and interest payments or may have their debt downgraded by ratings agencies. High yield securities may be more volatile, be subject to greater levels of credit or default risk, and may be less liquid and more difficult to sell at an advantageous time or price than higher-rated securities of similar maturity. The fund is also subject to liquidity risk, which is the risk that the Adviser may not be able to sell a security at an advantageous time or price, which may adversely affect the Fund. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. The value of your investment is also subject to geopolitical risks such as wars, terrorism, environmental disasters, and public health crises; the risk of technology malfunctions or disruptions; and the responses to such events by governments and/or individual companies.

Credit Quality ratings on underlying securities of the fund reflect the highest long-term rating from S&P, Moody's, or Fitch, and are converted to

the equivalent S&P major rating category. S&P rates securities in descending order as AAA, AA, A, BBB, BB, B, CCC, CC, C and D. Unrated securities do not necessarily indicate low quality. Below-investment-grade is represented by a rating of BB and below. Quality ratings are subject to change. **Average Effective Duration** is a duration calculation for bonds that have embedded options. This measure of duration takes into account the fact that expected cash flows will fluctuate as interest rates change and is, therefore, a measure of risk. **Subsidized Yield** reflects fee waivers/reimbursements/limits in effect. **Unsubsidized Yield** does not reflect any fee waivers/reimbursements/limits in effect.

The Bloomberg U.S. Aggregate Bond Index (Bloomberg US Aggregate) measures the investment grade, USD-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

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V19.062 // 4Q 2023 Victory Core Plus Intermediate Bond Fund FS



Taxable Fixed Income

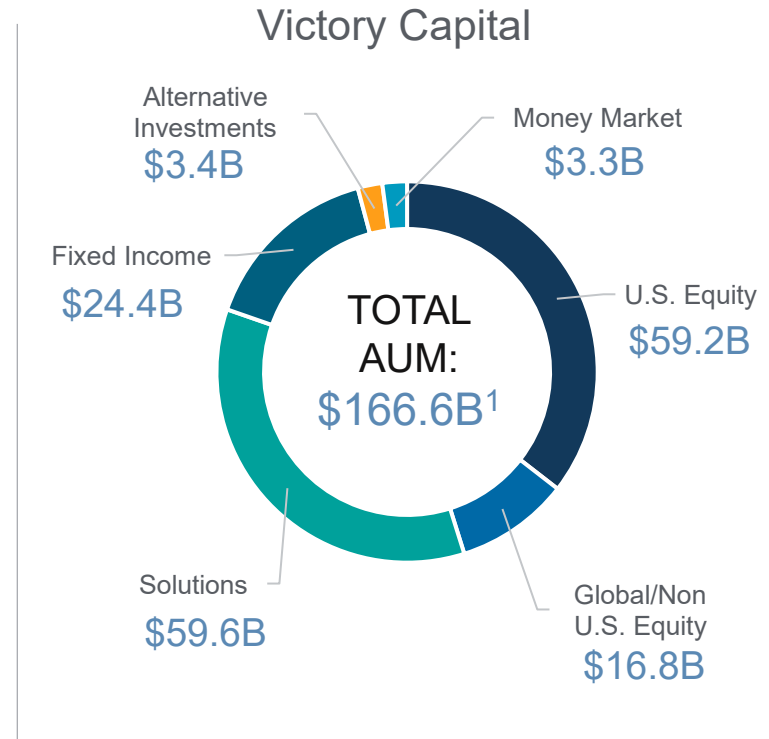
As of December 31, 2023

Overview of Victory Capital



We have built our firm to deliver for our clients:

- > Our next-generation business model, which combines boutique investment qualities with the benefits of a fully integrated, centralized operating platform, enables our investment professionals to fully focus on client portfolios
- > We manage \$166.6B in assets, and are well-positioned to reinvest in cutting-edge services and systems while remaining highly attentive to each client
- > We serve nearly 300 institutional clients and understand our responsibility as part of a larger overall plan and portfolio
- > Our investment professionals and employees invest personally in our strategies, as well as in our firm, which ensures that our interests are aligned with those of our clients



¹Total AUM includes both discretionary and non-discretionary client assets. Due to rounding, numbers presented in these tables may not add up precisely to the totals provided. Data as of December 31, 2023.

For more information, please refer to the firm's latest quarter-end press release at www.vcm.com.

Our Integrated Model



- > Victory Capital operates a next-generation business model, combining boutique investment qualities with the benefits of a fully integrated, centralized operating and distribution platform.
- > Centralized support allows investment professionals to focus solely on client outcomes and portfolios.
- > Each franchise maintains its independent investment philosophy, process and culture, which drives autonomous, client-focused decision making.
- > Victory Capital's investment offerings include mutual funds, ETFs, separately managed accounts, alternative investments, third-party ETF model strategies, collective investment trusts, private funds, and a 529 Education Savings Plan.
- > Our Solutions Team can customize portfolios toward specific client goals by leveraging our franchises, our strategic beta and quantitative insights, and a suite of ETF products.

Client Portfolios and Relationships

Joint Functions	Central Functions*	Franchise Functions
<ul style="list-style-type: none"> > Relationship management > Client reporting/analysis > Consultant relations > ESG considerations 	<ul style="list-style-type: none"> > Operations management > Technology/infrastructure > Compliance and legal 	<ul style="list-style-type: none"> > Risk management > Security selection > Research

Advisory services offered by Victory Capital Management Inc. or its affiliate, WestEnd Advisors, both SEC-registered investment advisers. WestEnd Advisors provides the day-to-day management of portfolios for which it serves as the investment adviser.

*As a separate SEC-registered investment advisor, WestEnd Advisors provides significant operational support and compliance oversight for the portfolios for which it serves as the investment adviser.

Victory Income Investors – At a Glance



About Victory Income Investors



Integrated team structure with a collaborative culture solely focused on active fixed income



Our team manages \$30.2B AUM across taxable, tax-exempt and money markets (as of 12/31/2023)



35 investment professionals averaging 23 years of experience and 17 years with the franchise

Why Victory Income Investors?



Proprietary Process Focused on Fundamental Research

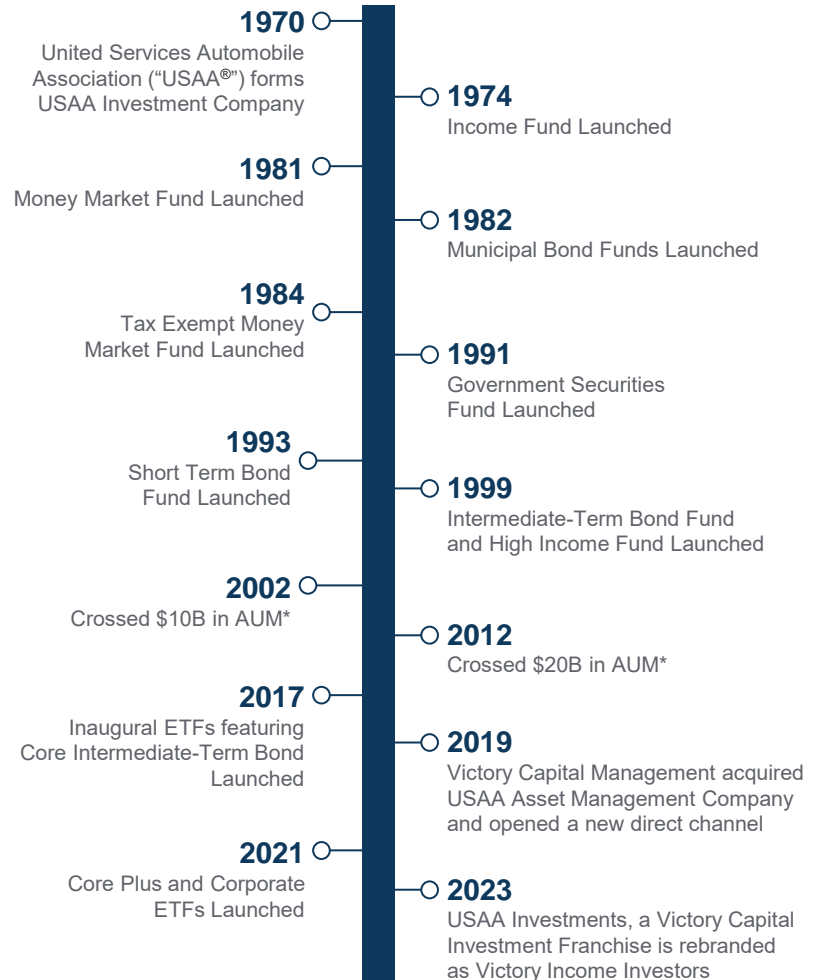


Scale and Flexibility to Seize Market Opportunities



50+ Year History Managing Fixed Income

Victory Income Investors History and Key Milestones



*Includes mutual funds and ETF assets, excluding money market funds.
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Why Victory Income Investors?



Proprietary Process Focused on Fundamental Research

- Our process is consistently applied throughout the market cycle. Our research is proprietary and independent with a focus on assessing underlying risk and valuation.
- We do not seek to generate incremental return through duration positioning. We don't believe tactical duration positioning is a consistent source of outperformance.



Scale and Flexibility to Seize Market Opportunities

- Our size allows us to benefit from an experienced and deep research capability, while retaining the flexibility to seize market opportunities.
- Asset allocation and security selection is driven by relative valuation, not a benchmark weighting.

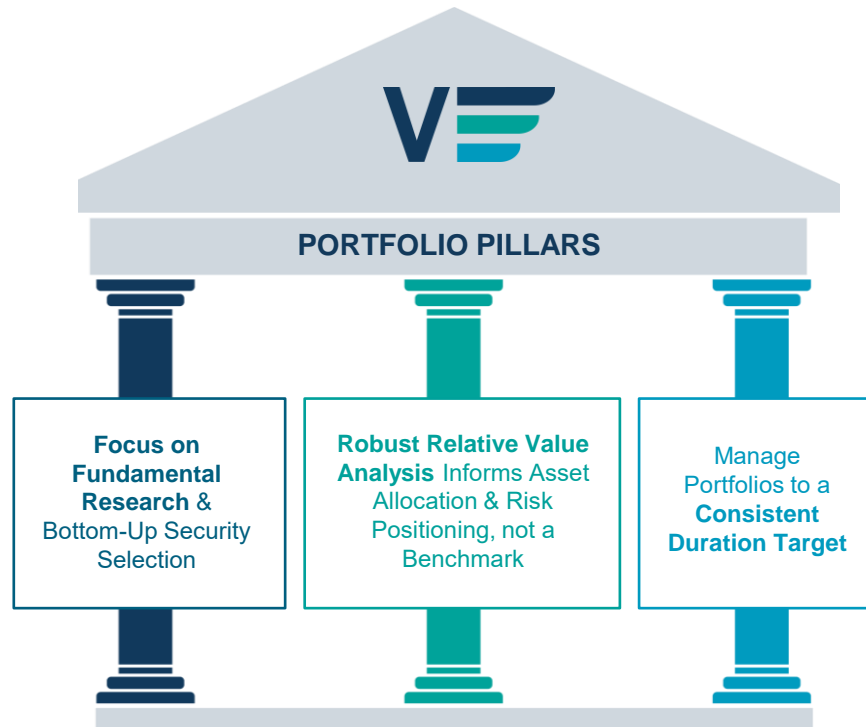


50+ Year History Managing Fixed Income

- Long-standing track record managing across fixed income asset classes through more than a half century of economic cycles.
- Only two fixed income managers in the leading institutional database¹ have a longer track record² than Victory Income Investors.

¹ eVestment database, ² Track record in the US Core Plus space

We construct portfolios using our core competency in evaluating, taking and managing credit risk with the goal of producing above-market returns over the three- to five-year period.

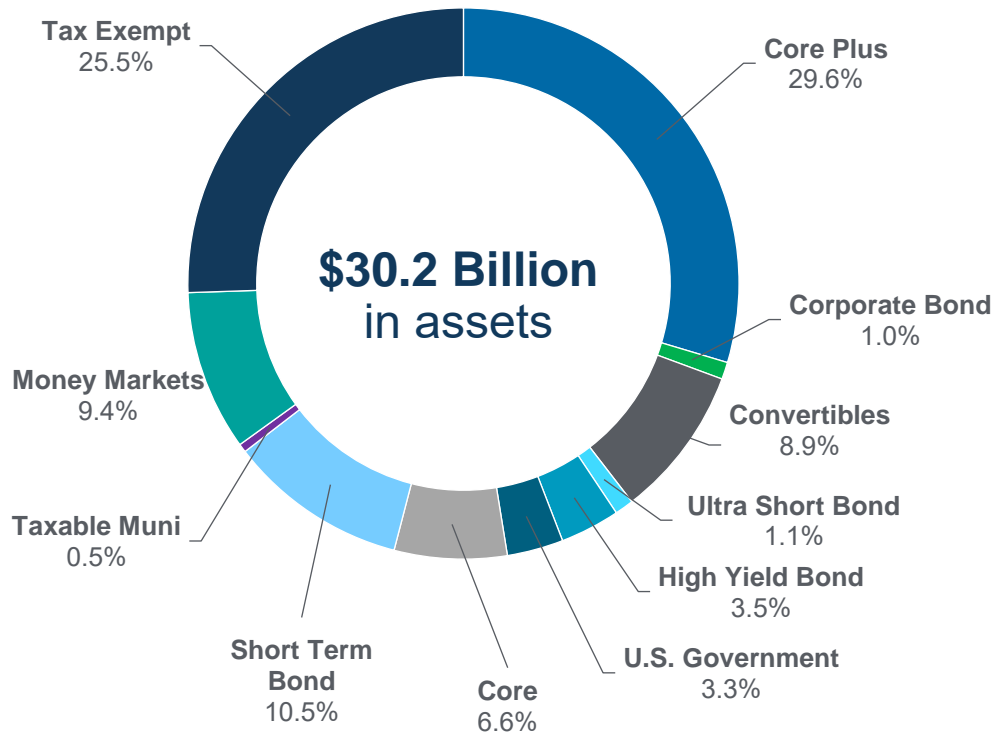


PHILOSOPHICAL PRINCIPLES

1 Starting yield is highly explanatory for bond returns over the life of a bond

2 Investors are compensated to take credit risk over time

3 Interest rates movements are unpredictable



Broad Fixed Income Capabilities

Cash Management

- Prime Money Market
- Treasury Money Market
- Tax Exempt Money Market

Corporate Credit

- Investment Grade Corporates
- High Yield Corporates
- Corporate Bank Loans
- Corporate Preferred Securities

Securitized Products

- Commercial Mortgage-Backed Securities
- Asset Backed Securities
- Collateralized Loan Obligations
- Residential Mortgage-Backed Securities

Municipal Bonds

- Tax Exempt Investment Grade Municipal
- Taxable Municipal
- State Specific Municipal
- High Yield Municipal

Our Team



Franchise Leadership

John Spear, CFA
Co-Chief Investment Officer
36 Years

Jim Jackson, CFA
Co-Chief Investment Officer and Head of
Fixed Income Portfolio Management
22 Years

Trae Willoughby, CFA, CPA
Head of Fixed Income Research
27 Years

Kevin Kaase
Head of Fixed Income Trading
35 Years

Andy Hattman, CFA, CAIA
Head of Municipal Portfolio
Management
11 Years

Portfolio Management

Neal Graves, CFA, CPA
Taxable Portfolio
Management
24 Years

Kurt Daum, J.D.
Taxable Portfolio
Management
20 Years

Brian Smith, CFA, CPA
Taxable Portfolio
Management
24 Years

Lauren Spalten
Municipal Portfolio
Management
12 Years

Cody Perkins, CFA
Money Market Portfolio
Management
27 Years

James K. Kaesberg, CFA
Convertibles Portfolio
Management
38 Years

Mark Vucenovic
Convertibles Portfolio
Management
21 Years

Portfolio Management/ Research

Michael Duncan, CFA
Corporate
26 Years

Doug Rollwitz, CFA, CPA
Corporate
23 Years

Zach Winters, CFA
Structured
14 Years

Research

Christopher Loop, CFA
Director of Corporate Research
28 Years

Hal Candland, CFA
Corporate
32 Years

Roger Price, CFA
Corporate
25 Years

Trevor Cox, CFA
Corporate
26 Years

Phillip Pennell, CFA
Corporate
26 Years

Jason Lincoln, CFA
Corporate
15 Years

Stephanie Garza, CFA, ASA
Corporate
5 Years

Andrew Whyte, CFA
Corporate
8 Years

Stephen O'Neill, CFA
Structured
15 Years

Mark Clayton, CFA
Director of Municipal Research
30 Years

Cyril Swatko
Municipal
23 Years

Nicholas Ramos
Municipal
1 Year

Kelli Bonacci, CPA
Municipal
27 Years

Maya Chapa, CFA
Municipal
25 Years

Trading

Kevin Kelly
Municipal
38 Years

Erin Seidel
Municipal
18 Years

Rick Kimball, CPA
Taxable
16 Years

Judi Kosub
Cash
40 Years

Sharon McGlothing
Cash
33 Years

Portfolio Specialist

Allyson Krautheim
2 Years



Experienced Team Focused on the Fundamentals

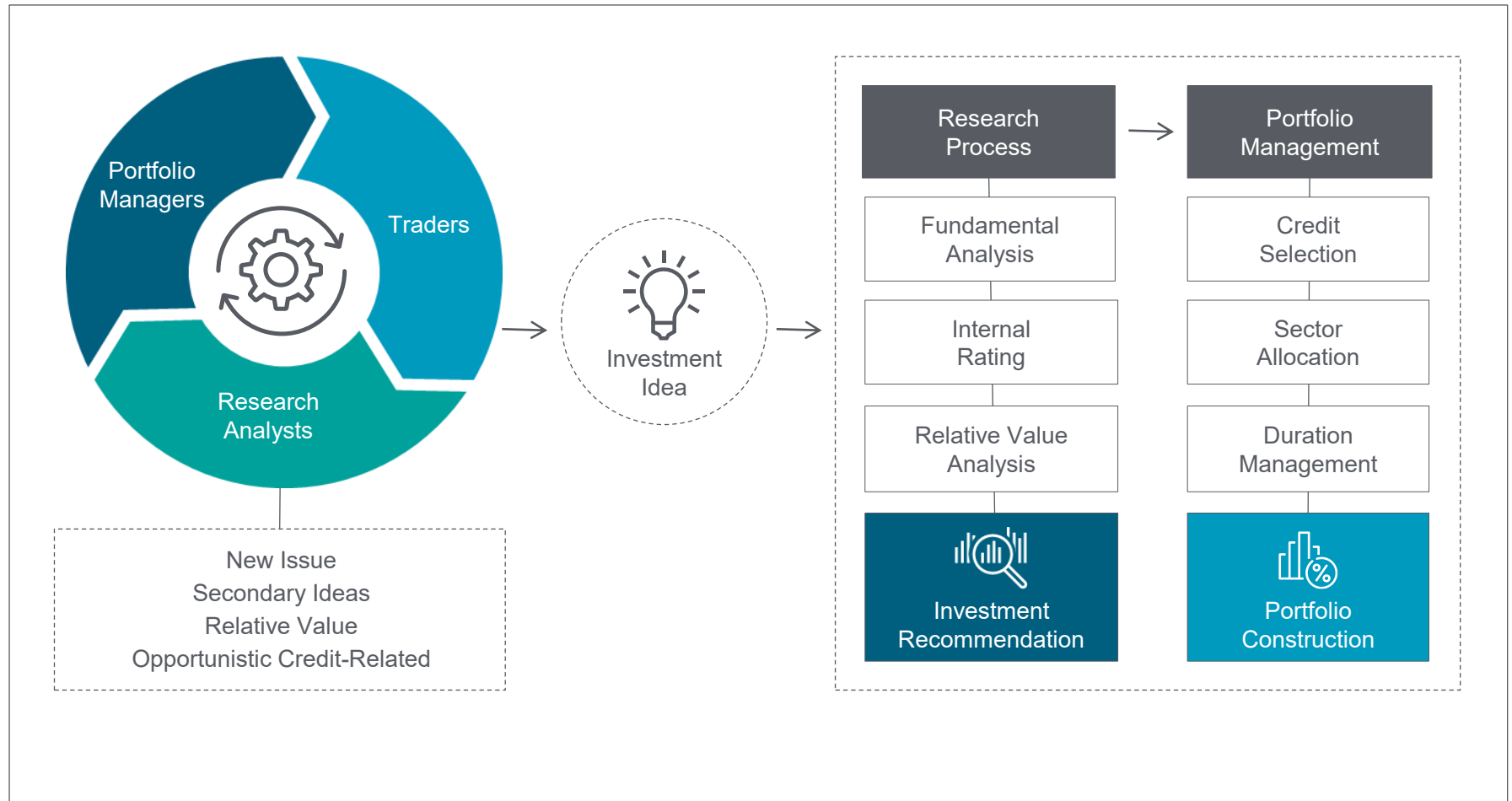
- Managing fixed income since 1970
- Research analysts cover assigned sectors across the ratings quality spectrum, providing a deep understanding of sector dynamics
- Average of 23 years industry experience with an average of 17 years with the franchise
- 22 CFA charterholders with diverse experience across financial services and industry

"Years" indicate years of industry experience.

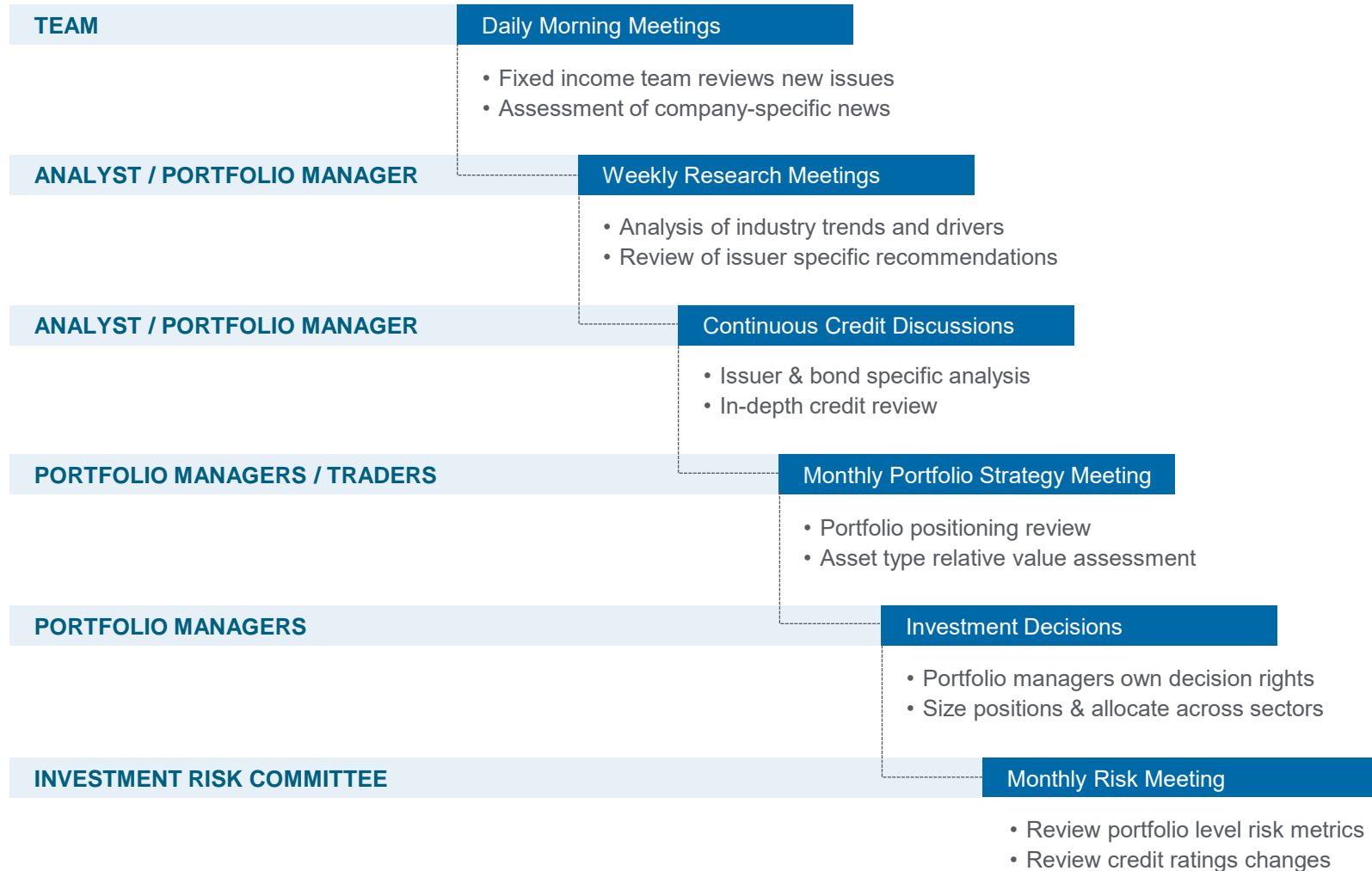
Investment Process

Fixed Income Investment Process

Time-Tested and Disciplined Process



Investment Process—How the Team Works

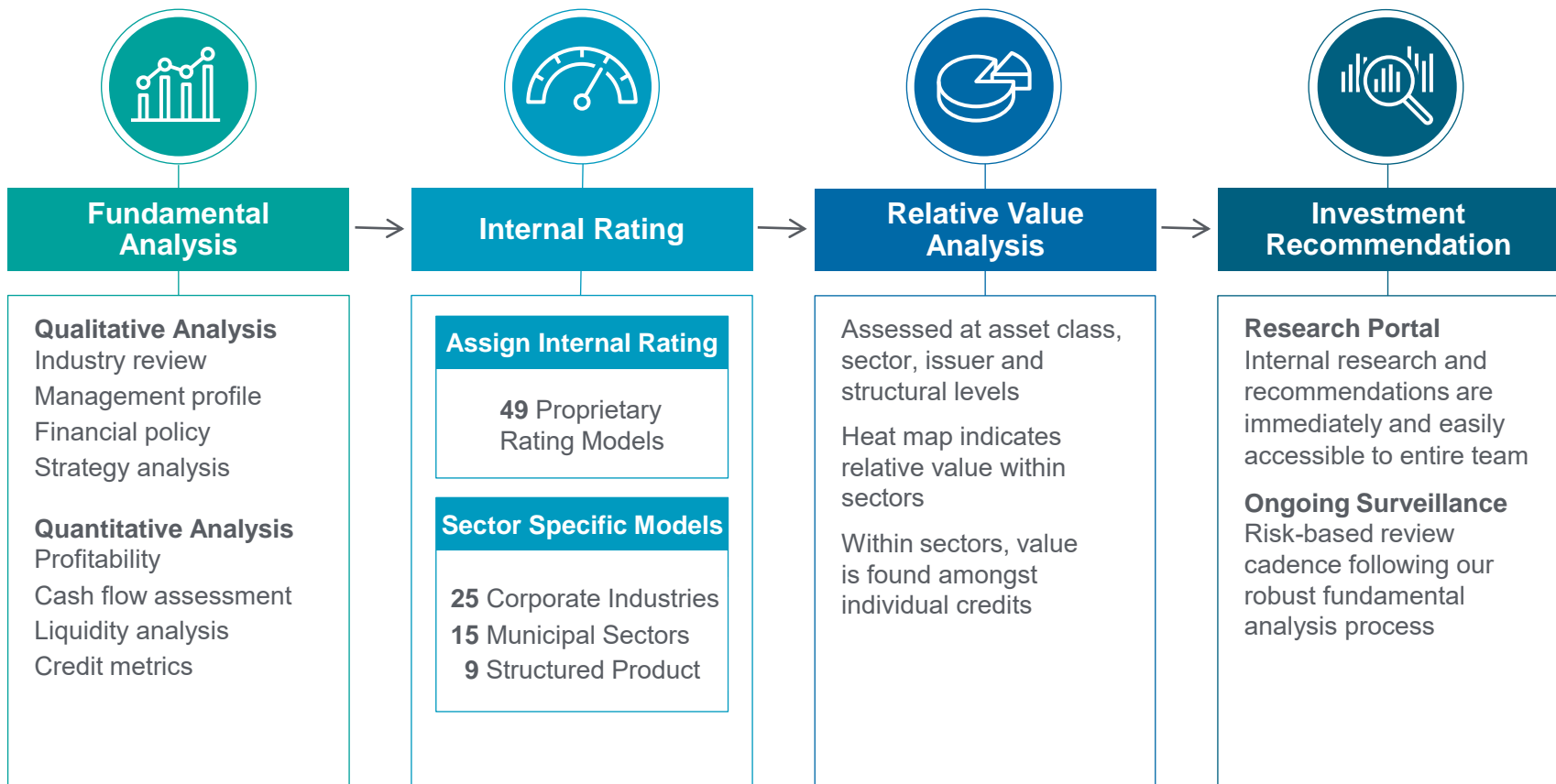


Credit Research

Independent, Research-Intensive Process



Research analysts cover sectors across the entire quality spectrum and perform fundamental and relative value analysis to develop recommendations.

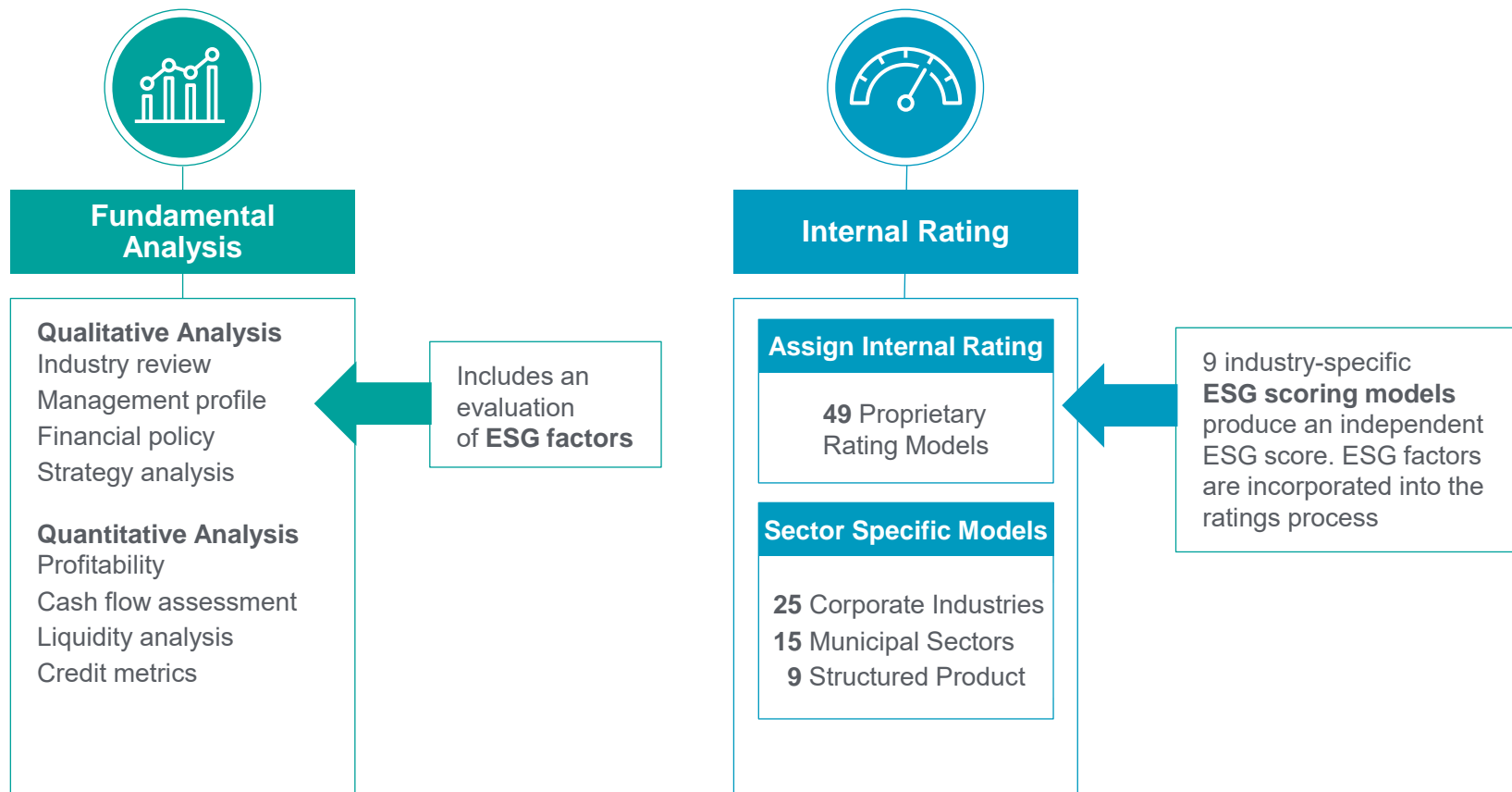


Credit Research

ESG Integrated into Internal Rating Process



Internal ESG Scoring Methodology evaluates the impact of Environmental, Social and Governance factors on credit risk.

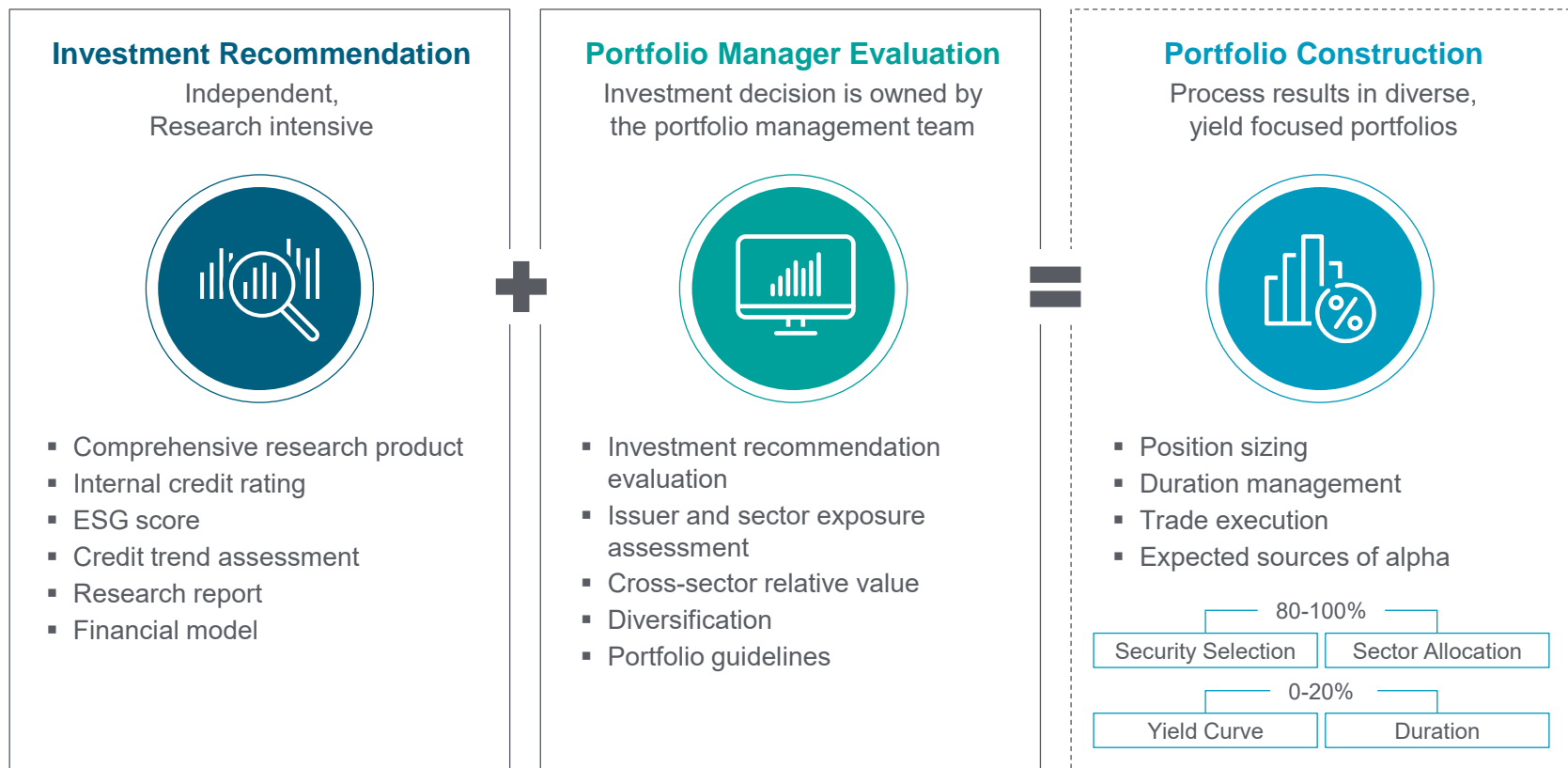


Portfolio Construction

Bond by Bond



Research-intensive, bond by bond portfolio construction process differentiates us from the index and our peer group



Risk Management

Robust Oversight Integral to Philosophy



We employ a team approach to **assess** and **manage two key risks**: credit and interest rate risks.



- Largest source of intentional risk in the portfolios
- Investment Risk Committee (“IRC”) sets and monitors aggregated credit risk thresholds through DTS analysis and exposure review
- Credit Research monitors and maintains internal credit ratings with changes communicated to portfolio managers and IRC
- Portfolio managers ensure appropriate diversification, assess credit and price changes daily and manage portfolio within risk guidelines



- Portfolios do not take active duration bets
- IRC sets and monitors duration profile and acceptable duration band around target
- Credit Research monitors and maintains internal credit ratings and a credit watch list, with changes communicated to portfolio managers and IRC
- Intent is to ensure portfolios are not taking duration risk relative to benchmark beyond guidelines set by IRC

Fund Line-Up

Taxable Fixed Income Funds



	Victory Ultra Short-Term Bond Fund	Victory Short-Term Bond Fund	Victory Core Plus Intermediate Bond Fund	Victory Income Fund	Victory High Income Fund	Victory Government Securities Fund	VictoryShares Short-Term Bond ETF	VictoryShares Core Intermediate Bond ETF	VictoryShares Core Plus Intermediate Bond ETF	VictoryShares Corporate Bond ETF
Symbols	UUSTX	USSBX	USIBX	USAIX	USHYX	USGNX	USTB	UITB	UBND	UCRD
Avg Effective Duration (yrs)	0.7	1.8	5.4	6.0	2.9	4.6	1.8	6.0	5.5	6.6
Annual Turnover Rate	15% ¹	32% ²	42% ²	13% ²	60% ²	27% ³	53% ⁴	23% ⁴	60% ⁴	27% ⁴
Expense Ratio (Gross / Net)	0.65% / 0.65% ⁵	0.59% / 0.59% ⁵	0.67% / 0.66% ⁵	0.59% / 0.58% ⁵	0.80% / 0.79% ⁵	0.53% / 0.53% ⁶	0.35% / 0.35% ⁷	0.38% / 0.38% ⁷	0.45% / 0.40% ⁷	0.46% / 0.40% ⁷
AUM	\$320.8M	\$2.4B	\$3.4B	\$4.6B	\$1.0B	\$927.9M	\$550.4M	\$1.5B	\$217.2M	\$105.3M
Fund Inception	October 2010	June 1993	August 1999	March 1974	August 1999	February 1991	October 2017	October 2017	October 2021	October 2021
Overall Morningstar Rating	★★★★ out of 205	★★★★★ out of 535	★★★★★ out of 568	★★★★ out of 568	★★★ out of 618	★★★★★ out of 220	★★★★★ out of 535	★★★★★ out of 425	—	—
Morningstar Category	Ultrashort Bond	Short-Term Bond	Intermediate Core-Plus Bond	Intermediate Core-Plus Bond	High Yield Bond	Intermediate Government	Short-Term Bond	Intermediate Core Bond	Intermediate Core-Plus Bond	Corporate Bond

Past performance is no guarantee of future results.

Ratings are based on risk-adjusted returns and are for the overall period ended December 31, 2023.

Source: Morningstar and FactSet as of September 30, 2023. Expense ratios and Morningstar ratings are for the fund share class.

¹Annual turnover is for the period January 1, 2023 to April 30, 2023.

²Annual turnover is for the period August 1, 2022 to April 30, 2023.

³Annual turnover is for the period June 1, 2022 to February 28, 2023.

⁴Annual turnover is for the year ended June 30, 2023.

⁵Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through August 31, 2024

⁶Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through June 30, 2024

⁷Net expense ratio reflects the contractual waiver and/or reimbursement of management fees through October 31, 2024

Victory Ultra Short-Term Bond Fund



Victory Ultra Short-Term Bond Fund

Overview



INVESTMENT STRATEGY

- **Actively Managed Front End Fixed Income Exposure** – Invests in a diverse portfolio of fixed income securities employing bottom-up security selection underpinned by a research process honed over 50+ years.
- **Duration Target** – Duration managed within a band of a half to three-quarters of a year, consistent with the fund's category.
- **Relative Value Drivers Asset Allocation** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$321.2M
Fund Inception	10/18/2010
Avg Effective Duration (years)	0.66
SEC Yield (subsidized)	5.69
SEC Yield (unsubsidized)	5.69
# of Securities	423
Annual Turnover (Period 01/01/23 to 04/30/23)	15%
Morningstar Category	Ultrashort Bond

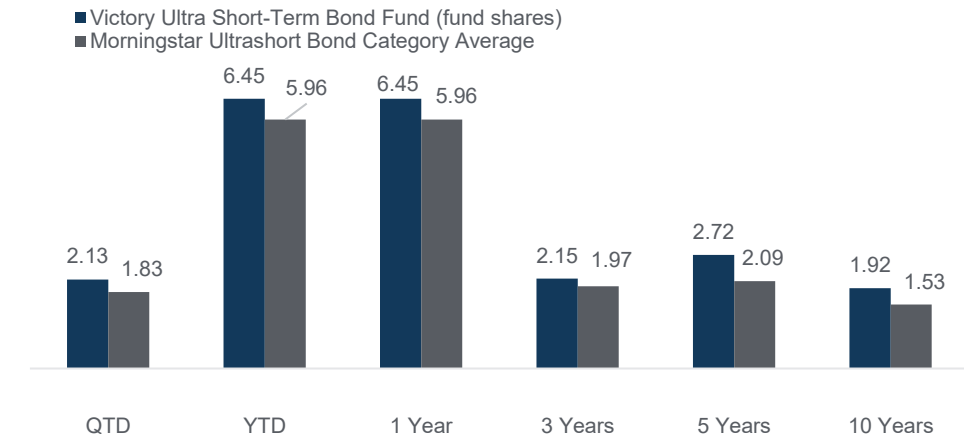
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: Ultrashort Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★	★★★	★★★★★	★★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
19% / 260	20% / 234	20% / 234	36% / 205	8% / 184	14% / 104

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

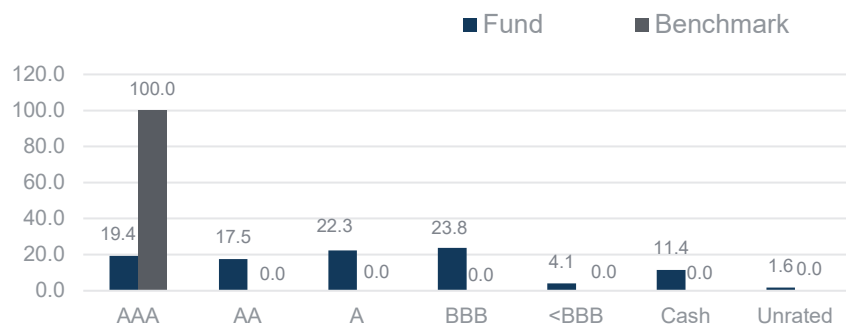


Victory Ultra Short-Term Bond Fund

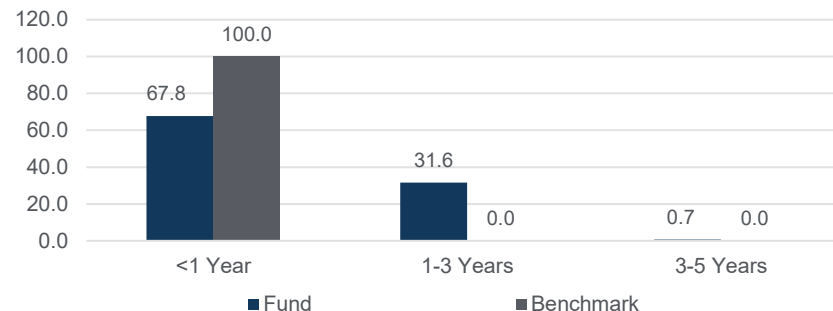
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

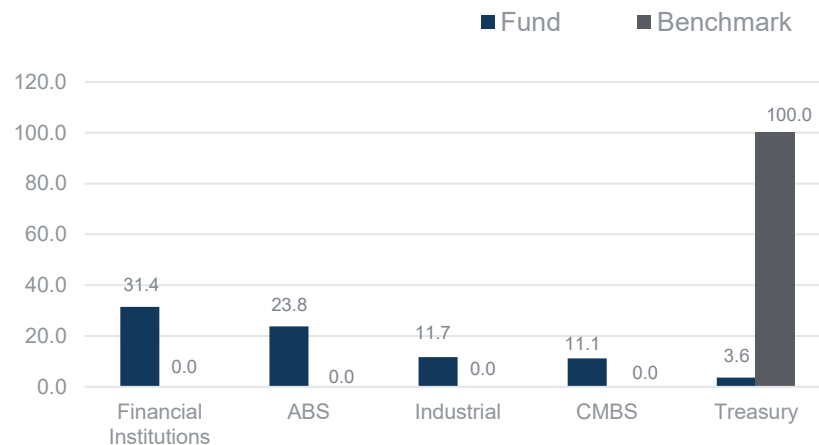


TOP 10 ISSUERS

% of Portfolio

US Government	5.24
Evgrn	0.80
Afht 2019-Fair	0.61
Hply 2019-Hit	0.60
Hertz Vehicle Financing LLC	0.60
Huntington Bancshares	0.57
Fs Kkr Capital	0.56
Truist Financial Corp	0.56
M&T Bank Corporation	0.55
Aviation Capital Group	0.55

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023.

Holdings are subject to change. Benchmark is the Bloomberg U.S. Treasury Bellwethers 3 Month Index.

Victory Ultra Short-Term Bond Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception Oct 18, 2010
Victory Ultra Short-Term Bond Fund	2.13	6.45	6.45	2.15	2.72	1.92	1.90
<i>Bloomberg U.S. Treasury Bellwethers 3 Month Index</i>	1.39	5.15	5.15	2.21	1.91	1.28	—
<i>FTSE 3-month T-bill Index</i>	1.41	5.26	5.26	2.25	1.91	1.26	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory Ultra Short-Term Bond Fund	6.45	-0.68	1.41	3.42	4.98	2.01	2.10	2.35	0.61	1.54
Bloomberg U.S. Treasury Bellwethers 3 Month Index	5.15	1.51	0.04	0.67	2.30	1.89	0.87	0.35	0.07	0.05

Source: Zephyr

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Victory Short-Term Bond Fund



Victory Short-Term Bond Fund

Overview



STRATEGY SUMMARY

- **Actively Managed Short Duration Fixed Income Exposure** – Invests in a diverse portfolio of fixed income securities while managing duration +/- 0.5 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Relative Value Drives Asset Allocation not a Benchmark** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$2.4B
Fund Inception	06/01/1993
Avg Effective Duration (years)	1.77
SEC Yield (subsidized)	4.94
SEC Yield (unsubsidized)	4.94
# of Securities	806
Annual Turnover (Period 08/01/22 to 04/30/23)	32%
Morningstar Category	Short-Term Bond

Source: FactSet as of December 31, 2023

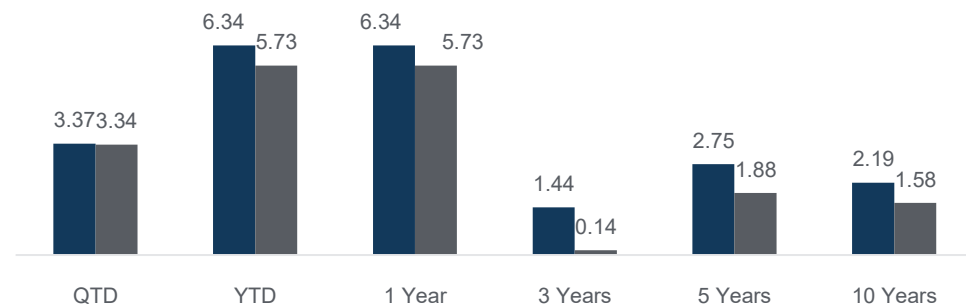
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MORNINGSTAR		Category: Short-Term Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★★	★★★★★	★★★★★	★★★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
41% / 580	23% / 574	23% / 574	9% / 535	10% / 495	10% / 357

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

- Victory Short-Term Bond Fund (fund shares)
- Morningstar Short-Term Bond Category Average

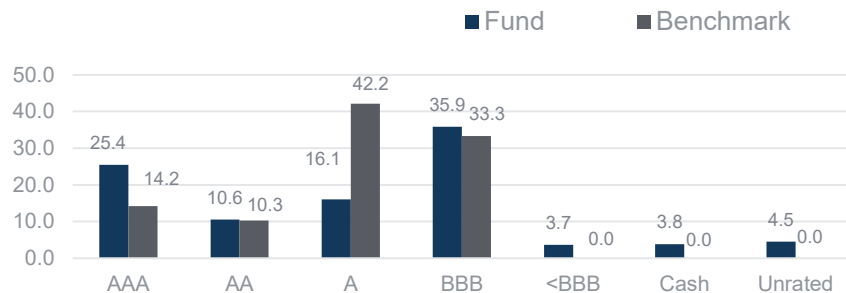


Victory Short-Term Bond Fund

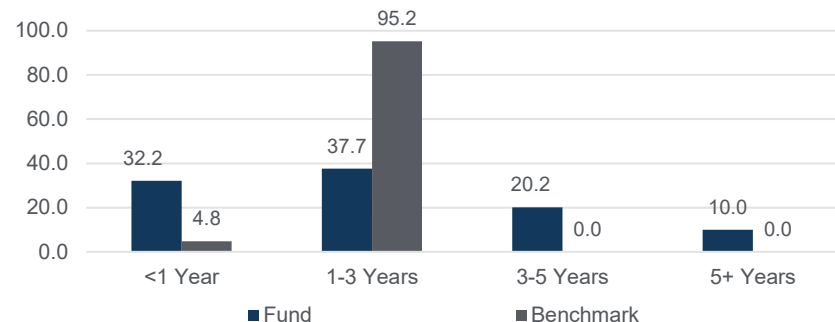
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

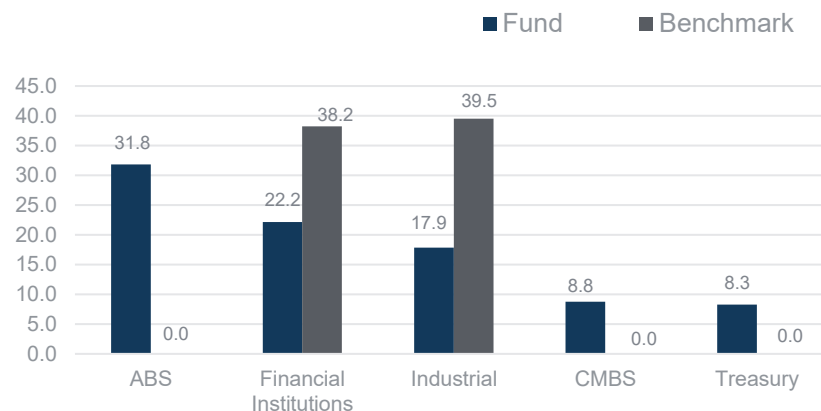


TOP 10 ISSUERS

% of Portfolio

US Government	9.51
Cadence Financial Corp	0.94
United Airlines	0.86
Hertz Vehicle Financing LLC	0.82
Aesop	0.75
Comm 2020-Cbm	0.73
Evgrn	0.72
Blackstone Private Cre	0.71
Wells Fargo & Company	0.70
Medical Properties Trust Inc	0.68

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg 1-3 Year Credit Index.

Victory Short-Term Bond Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception June 1, 1993
Victory Short-Term Bond Fund	3.37	6.34	6.34	1.44	2.75	2.19	3.66
<i>Bloomberg 1-3 Year Credit Index</i>	3.01	5.28	5.28	0.51	2.03	1.75	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory Short-Term Bond Fund	6.34	-2.94	1.67	5.05	5.59	1.83	2.92	3.64	0.63	2.30
Bloomberg 1-3 Year Credit Index	5.28	-3.40	-0.17	3.69	5.01	1.64	1.66	2.11	0.85	1.12

Source: Zephyr

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Victory Core Plus Intermediate Bond Fund



Victory Core Plus Intermediate Bond Fund



Overview

STRATEGY SUMMARY

- **Actively Managed Core Plus Fixed Income Exposure** – Invests in a diverse portfolio of primarily investment grade fixed income securities while managing duration +/- 1 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Relative Value Drives Asset Allocation not a Benchmark** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$3.8B
Fund Inception	08/02/1999
Avg Effective Duration (years)	5.40
SEC Yield (subsidized)	4.74
SEC Yield (unsubsidized)	4.74
# of Securities	963
Annual Turnover (Period 08/01/22 to 04/30/23)	42%
Morningstar Category	Intermediate Core-Plus Bond

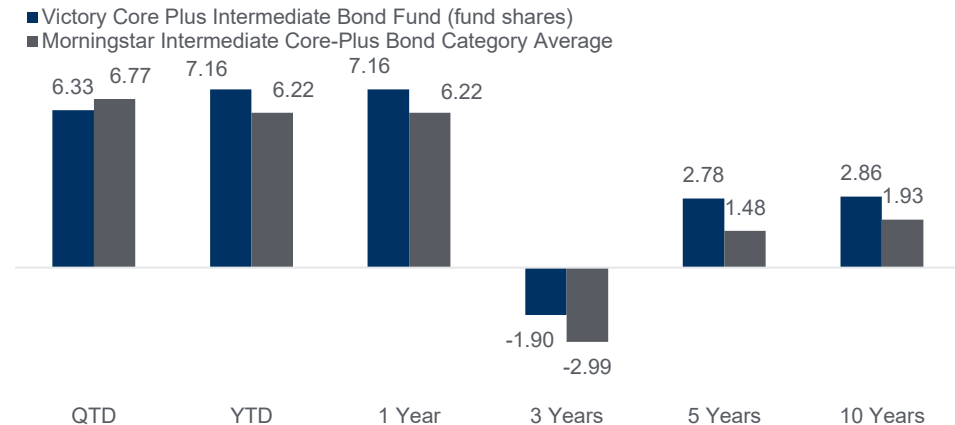
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: Intermediate Core-Plus Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★★	★★★★	★★★★★	★★★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
84% / 648	19% / 632	19% / 632	13% / 568	6% / 536	5% / 375

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

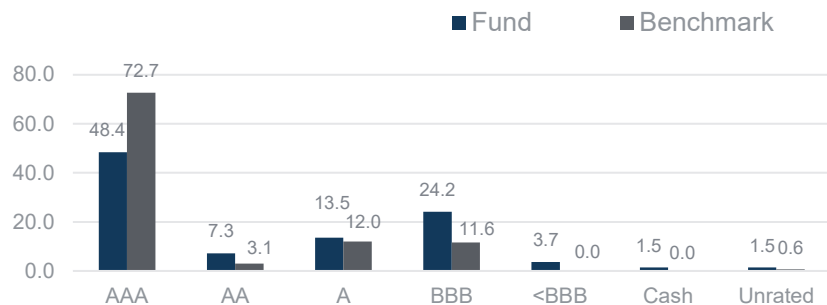


Victory Core Plus Intermediate Bond Fund

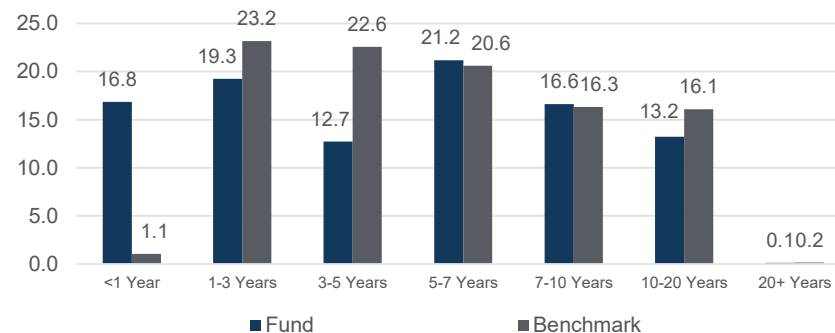
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)



TOP 10 ISSUERS

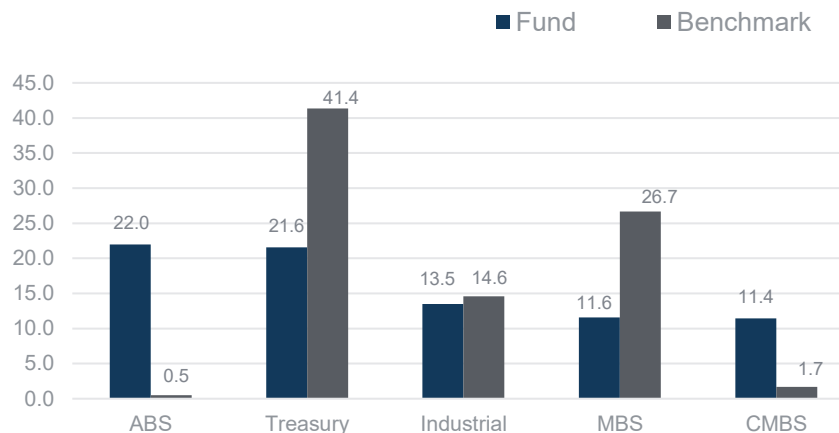
% of Portfolio

US Government	35.88
Hertz Vehicle Financing LLC	0.92
Evgrn	0.84
Aesop	0.82
American Airlines Group Inc	0.72
Wells Fargo & Company	0.67
Fordr 2023-1	0.67
United Airlines	0.64
Tcct	0.58
Barhn 2023-1	0.58

Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg U.S. Aggregate Bond Index.

TOP 5 SECTORS (% of portfolio)



Victory Core Plus Intermediate Bond Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception Aug 2, 1999
Victory Core Plus Intermediate Bond Fund	6.33	7.16	7.16	-1.90	2.78	2.86	4.83
<i>Bloomberg U.S. Aggregate Bond Index</i>	6.82	5.33	5.33	-3.31	1.10	1.81	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory Core Plus Intermediate Bond Fund	7.16	-12.67	1.49	9.99	11.73	-0.36	6.56	7.33	-1.65	6.47
Bloomberg U.S. Aggregate Bond Index	5.33	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65	0.55	5.97

Source: Zephyr

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Victory Income Fund



Victory Income Fund

Overview



STRATEGY SUMMARY

- **Actively Managed Fixed Income Exposure** – Invests in a diverse portfolio of fixed income securities while managing duration +/- 1 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Income Focus Drives Asset Allocation** – Portfolio construction prioritizes income, driven by a comprehensive risk vs. reward evaluation and primarily investment grade credit exposure.

CHARACTERISTICS

Net Assets	\$4.7B
Fund Inception	03/04/1974
Avg Effective Duration (years)	5.98
SEC Yield (subsidized)	4.87
SEC Yield (unsubsidized)	4.87
# of Securities	995
Annual Turnover (Period 08/01/22 to 04/30/23)	13%
Morningstar Category	Intermediate Core-Plus Bond

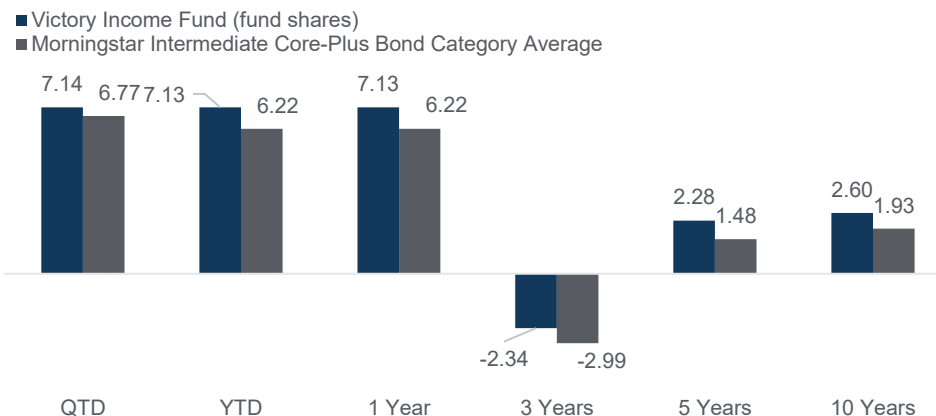
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: Intermediate Core-Plus Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★	★★★★	★★★★	★★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
32% / 648	20% / 632	20% / 632	19% / 568	14% / 536	12% / 375

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

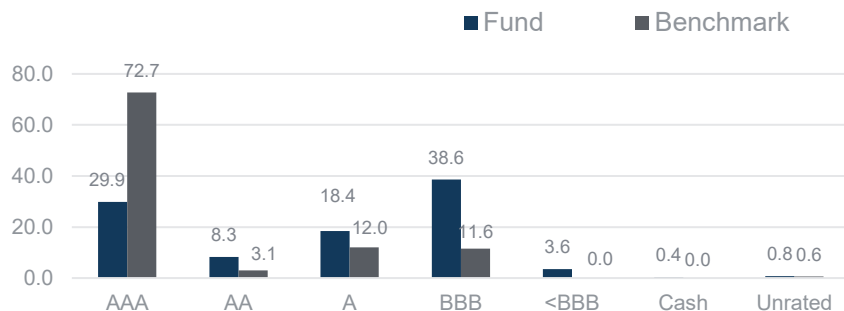


Victory Income Fund

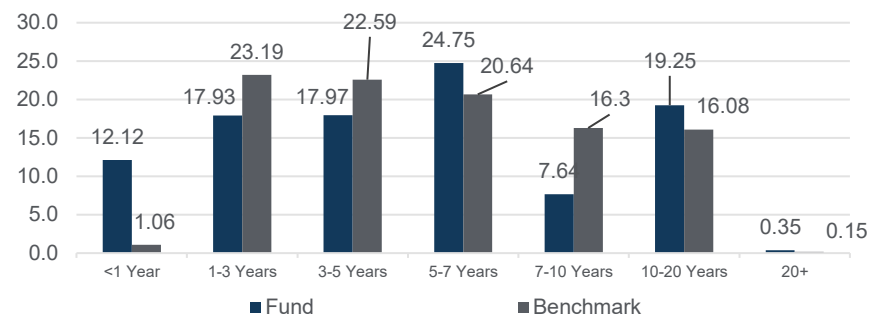
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

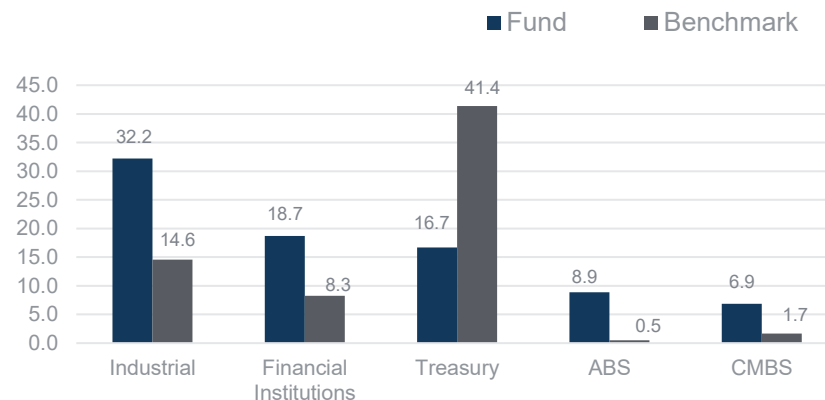


TOP 10 ISSUERS

% of Portfolio

US Government	23.48
T-Mobile US Inc	0.56
First-Citizens Bank/Trst	0.54
American Airlines Group Inc	0.51
JP Morgan	0.51
Air Canada	0.48
Nationwide Csn Trust	0.43
Ashtead Capital Inc	0.42
Nprl	0.42
Boeing Company	0.40

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023.

Holdings are subject to change. Benchmark is the Bloomberg US Aggregate Bond Index.

Victory Income Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception Mar 4, 1974
Victory Income Fund	7.14	7.13	7.13	-2.34	2.28	2.60	7.24
<i>Bloomberg U.S. Aggregate Bond Index</i>	6.82	5.53	5.53	-3.31	1.10	1.81	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory Income Fund	7.13	-13.39	0.83	8.69	11.64	-0.86	6.19	6.37	-0.60	6.49
Bloomberg U.S. Aggregate Bond Index	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65	0.55	5.97

Source: Zephyr

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Victory High Income Fund



Victory High Income Fund

Overview



STRATEGY SUMMARY

- **Credit Focused** – Invest in credit focused, primarily below-investment-grade corporate debt securities, using extensive credit research team with the objectives of generating high current income and capital appreciation without undue risk to principal.
- **Relative Value** – Highly diverse portfolio of corporate securities across multiple industries, asset classes and ratings with a focus on a bond’s ability to generate excess return.

CHARACTERISTICS	
Net Assets	\$1.1B
Fund Inception	08/02/1999
Avg Effective Duration (years)	2.94
SEC Yield (subsidized)	8.05
SEC Yield (unsubsidized)	8.05
# of Securities	422
Annual Turnover (Period 08/01/22 to 04/30/23)	60%
Morningstar Category	High Yield Bond

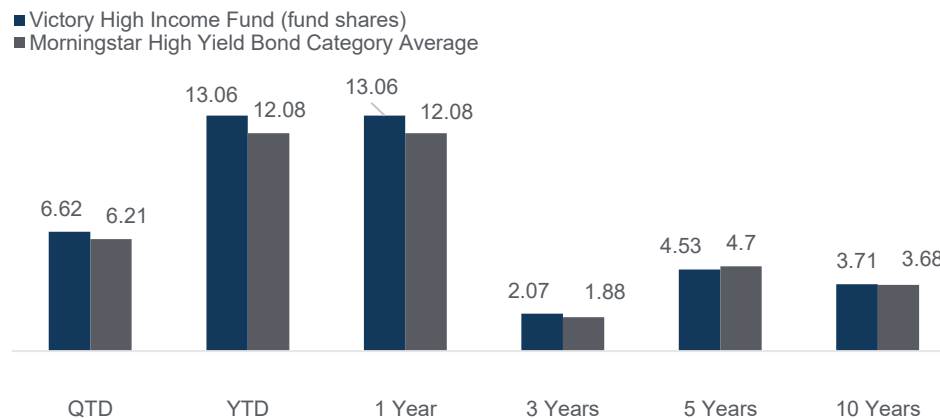
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: High Yield Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★	★★★	★★	★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
42% / 687	25% / 670	25% / 670	39% / 618	58% / 586	49% / 432

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

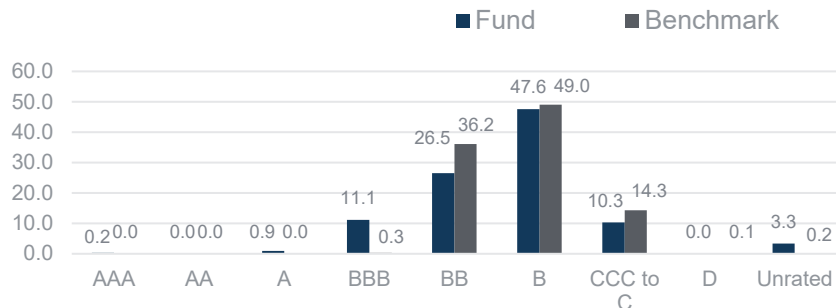


Victory High Income Fund

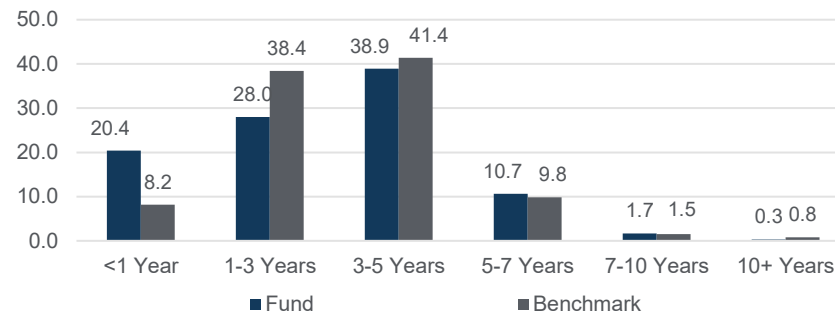
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)



TOP 10 ISSUERS

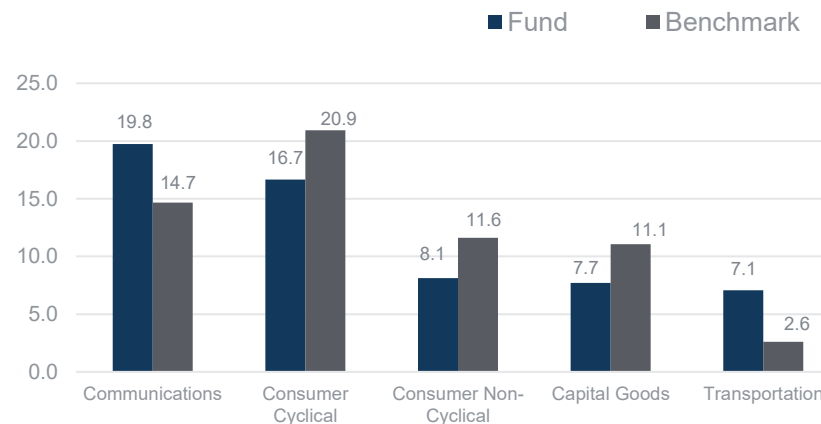
% of Portfolio

Scripps Co (E.W.)	2.04
Altice France Sa	1.97
American Airlines Group Inc	1.93
Dish Network Corp	1.76
Bausch Health Cos Inc	1.74
Charter Communications Hldgs Llc	1.70
Gray Television Inc	1.57
Csc Holdings Llc	1.40
Nwml 2023-1	1.36
Norwegian Cruise Line Holdings	1.30

Source: FactSet as of December 31, 2023.

Holdings are subject to change. Benchmark is the Bloomberg US High Yield 2% Issuer Capped Bond Index. Non-rated includes equities that do not receive ratings

TOP 5 SECTORS (% of portfolio)



Victory High Income Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception Aug 2, 1999
Victory High Income Fund	6.62	13.06	13.06	2.07	4.53	3.71	6.03
<i>Bloomberg U.S. High Yield 2% Issuer Capped Bond Index</i>	7.15	13.44	13.44	1.98	5.35	4.59	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory High Income Fund	13.06	-10.94	6.40	4.54	14.05	-2.74	8.05	18.88	-7.77	4.45
Bloomberg US High Yield 2% Issuer Capped Bond Index	13.44	-11.18	5.26	7.05	14.32	-2.08	7.50	17.13	-4.43	2.46

Source: Zephyr

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Victory Government Securities Fund



Victory Government Securities Fund

Overview



STRATEGY SUMMARY

- **U.S. Government Focus** – Primarily invests in U.S. government related securities with the objectives of generating high current income with preservation of principal.
- **Duration Targeted** – Manage the duration of the portfolio to be within +/- 1 year of the index with a focus on managing the extension and contraction risk of the portfolio.
- **Relative Value** – Highly diverse portfolio of U.S Government and U.S. Government Agency securities combined with limited exposure to high quality municipal securities and government related asset-backed securities.

CHARACTERISTICS

Net Assets	\$982.9M
Fund Inception	02/01/1991
Avg Effective Duration (years)	4.64
SEC Yield (subsidized)	4.01
SEC Yield (unsubsidized)	4.01
# of Securities	357
Annual Turnover (Period 06/01/22 to 02/28/23)	27%
Morningstar Category	Intermediate Government

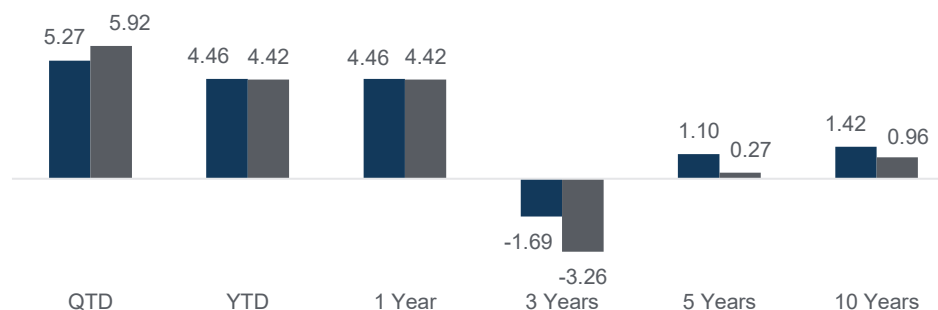
Source: FactSet as of December 31, 2023

MORNINGSTAR		Category: Intermediate Government			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★★	★★★★★	★★★★★	★★★★★		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
76% / 234	42% / 228	42% / 228	2% / 220	4% / 209	12% / 170

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

- Victory Government Securities Fund (fund shares)
- Morningstar Intermediate Government Category Average



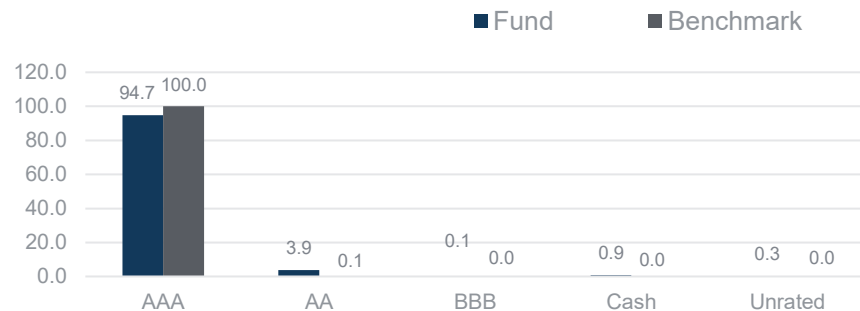
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Victory Government Securities Fund

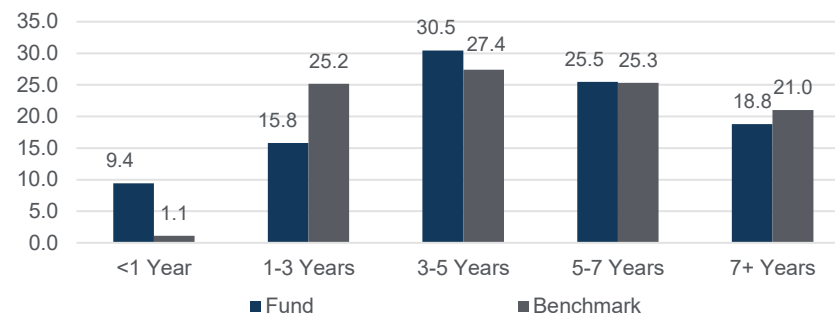
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)



TOP 10 ISSUERS

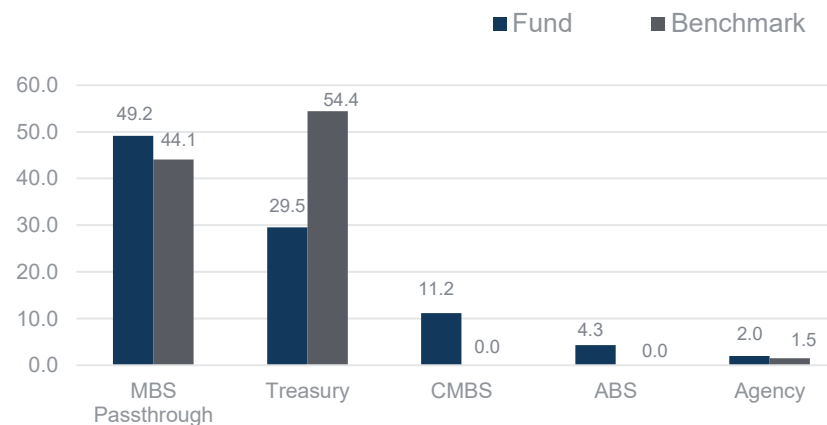
% of Portfolio

Government Of The United States Of America	28.29
Federal Home Loan Mortgage Corporation	21.10
Federal National Mortgage Association	21.09
Government National Mortgage Association	14.81
Ginnie Mae Remic Trust	2.53
Fannie Mae Gems Remic	1.73
Federal Farm Credit Banks Consolidated Systemwide Bonds	1.10
U.S. Small Business Administration	1.01
Nelnet Student Loan	0.78
Virginia St Pub Bldg Auth Pub Facs Rev	0.53

Source: FactSet as of December 31, 2023.

Holdings are subject to change. Benchmark is the Bloomberg US Aggregate Government Intermediate & MBS Index.

TOP 5 SECTORS (% of portfolio)



Victory Government Securities Fund

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception Feb 1, 1991
Victory Government Securities Fund	5.27	4.46	4.46	-1.69	1.10	1.42	4.35
<i>Bloomberg U.S. Aggregate Government Intermediate & MBS Index</i>	5.49	4.62	4.62	-2.30	0.68	1.31	—

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Victory Government Securities Fund	4.46	-8.12	-0.60	5.71	6.07	1.53	1.83	1.72	1.46	4.67
Bloomberg U.S. Aggregate Government Intermediate & MBS Index	4.62	-9.61	-1.39	4.91	5.72	1.22	1.76	1.34	1.33	4.13

Source: Zephyr

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VictoryShares Short-Term Bond ETF



VictoryShares Short-Term Bond ETF (USTB)



Overview

STRATEGY SUMMARY

- **Actively Managed Short Duration Fixed Income Exposure** – Invests in a diverse portfolio of fixed income securities while managing duration +/- 0.5 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Relative Value Drives Asset Allocation not a Benchmark** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$552.4M
Fund Inception	10/24/2017
Avg Effective Duration (years)	1.82
SEC Yield (subsidized)	5.62
SEC Yield (unsubsidized)	5.62
# of Securities	505
Annual Turnover (Year ended 06/30/23)	53%
Morningstar Category	Short-Term Bond

Source: FactSet as of December 31, 2023

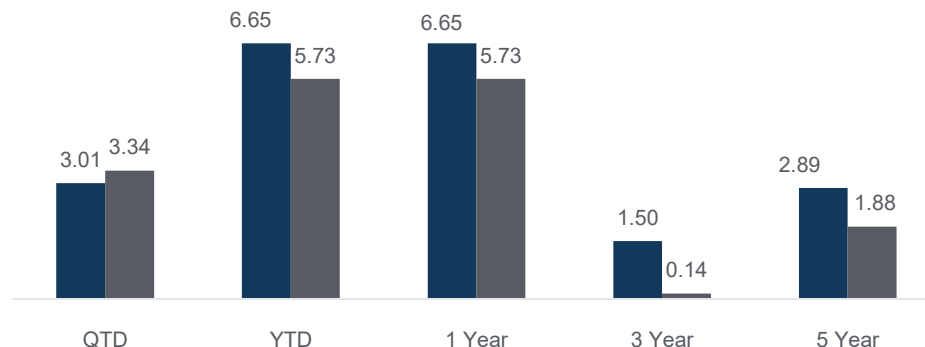
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MORNINGSTAR		Category: Short-Term Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★★	★★★★★	★★★★★	-		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
61% / 580	16% / 574	16% / 574	8% / 535	8% / 495	-

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

- VictoryShares Short Term Bond ETF
- Morningstar Short-Term Bond Category Average

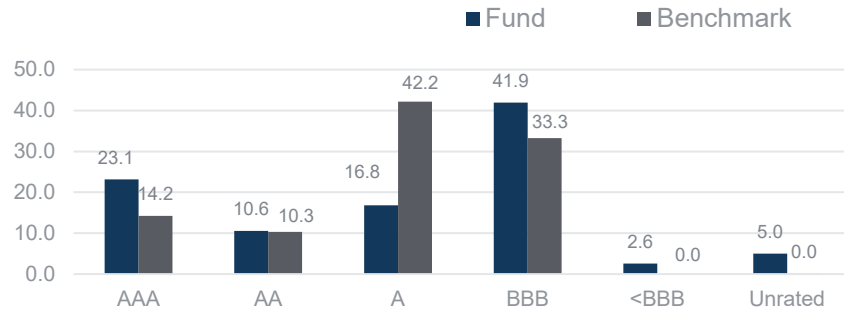


VictoryShares Short-Term Bond ETF (USTB)

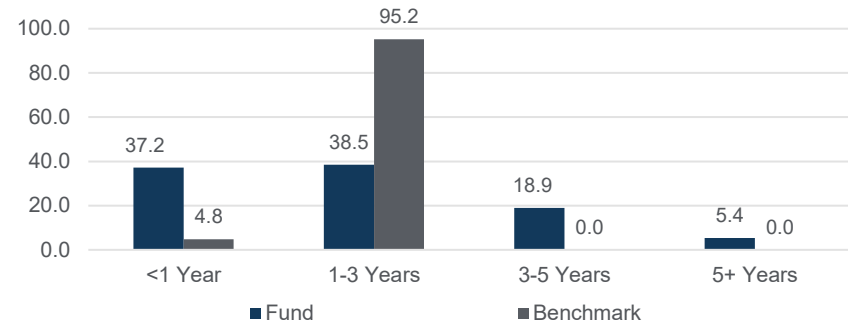
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

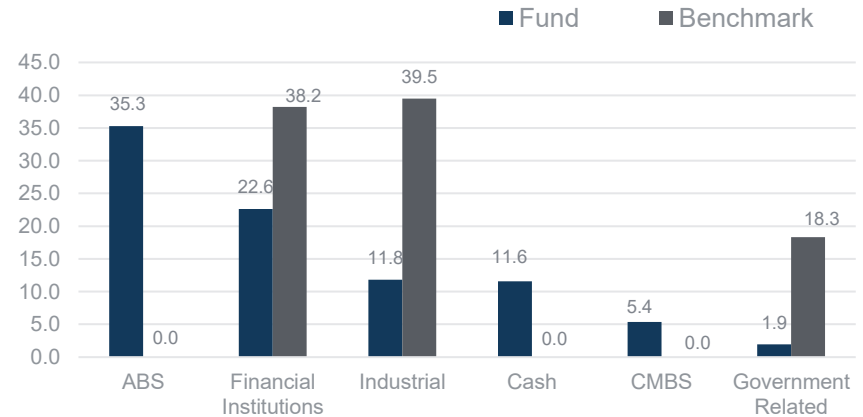


TOP 10 ISSUERS

% of Portfolio

US Government	9.51
Sccu 2023-1	0.92
Wff	0.90
Uscln 2023-1	0.89
Wells Fargo & Company	0.84
Evgrn	0.84
Hertz	0.79
Fodr 2023-1	0.74
Occu 2023-1	0.73
Truist Financial Corp	0.72

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg 1-3 Year Credit Index.

VictoryShares Short-Term Bond ETF (USTB)



Average Annual Total Returns

As of December 31, 2023

RETURNS (%)

VictoryShares Short-Term Bond ETF	QTD	YTD	1 YR	3 YR	5 YR	Since Inception Oct 24, 2017
Net Asset Value (NAV)	3.01	6.65	6.65	1.50	2.89	2.59
Closing Market Price	3.03	6.67	6.67	1.50	2.93	2.62
Bloomberg 1-3 Year Credit Index	3.01	5.28	5.28	0.51	2.03	—

CALENDAR YEAR RETURNS (%)

	2023	2022	2021	2020	2019	2018
VictoryShares Short-Term Bond ETF (NAV)	6.65	-2.84	0.90	5.16	4.90	1.44
Bloomberg 1-3 Year Credit Index (1-3 Y)	5.28	-3.40	-0.17	3.69	5.01	1.64

Source: Zephyr

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VictoryShares Core Intermediate Bond ETF



VictoryShares Core Intermediate Bond ETF (UITB)



Overview

STRATEGY SUMMARY

- **Actively Managed Core Fixed Income Exposure** – Invests in a diverse portfolio of fixed income securities while managing duration +/- 1 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Relative Value Drives Asset Allocation not a Benchmark** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$1.8B
Fund Inception	10/24/2017
Avg Effective Duration (years)	6.02
SEC Yield (subsidized)	4.48
SEC Yield (unsubsidized)	4.48
# of Securities	956
Annual Turnover (Year ended 06/30/23)	23%
Morningstar Category	Intermediate Core Bond

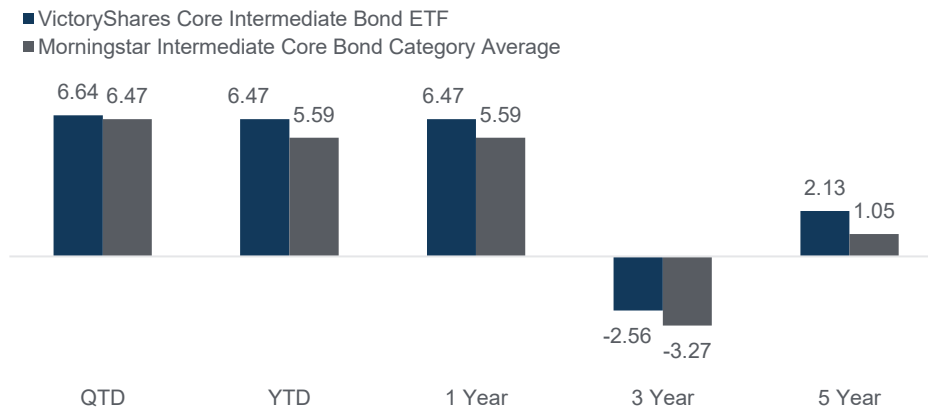
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: Intermediate Core Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
★★★★★	★★★★	★★★★★	-		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
62% / 478	19% / 471	19% / 471	16% / 425	4% / 385	-

Source: Morningstar. Based on the fund share class for the periods ended September 30, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

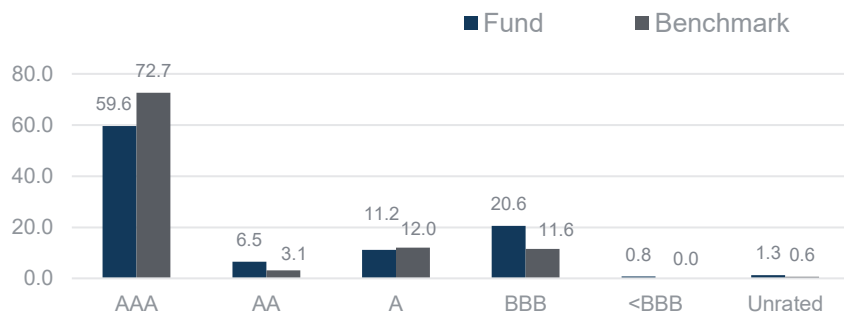


VictoryShares Core Intermediate Bond ETF (UITB)

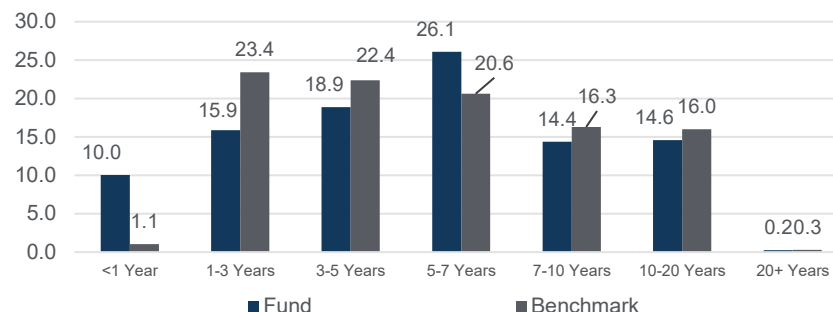


Portfolio review

CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)



TOP 10 ISSUERS

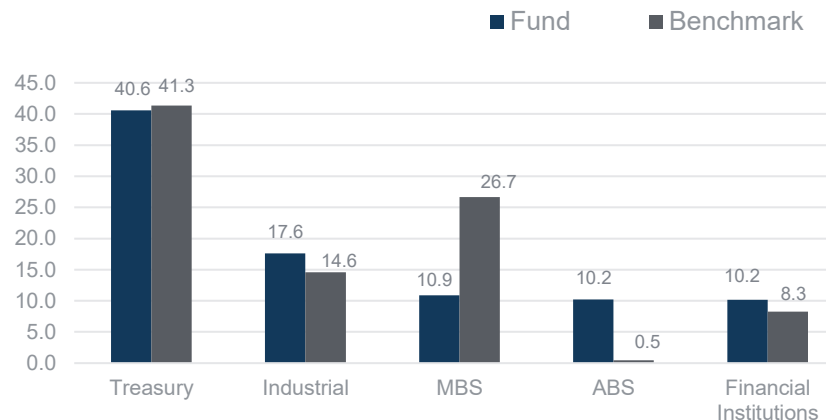
% of Portfolio

US Government	52.17
JP Morgan	0.43
Bank of America Corp	0.36
Boeing Company	0.35
T-Mobile US Inc	0.30
Federal Farm Credit Bank	0.29
Charter Communications Hldgs Llc	0.27
Verizon Communications Inc	0.24
Hpefs 2021-1A	0.23
Ashtead Capital Inc	0.23

Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg US Aggregate Bond Index.

TOP 5 SECTORS (% of portfolio)



VictoryShares Core Intermediate Bond ETF (UITB)



Average Annual Total Returns

As of December 31, 2023

RETURNS (%)

	QTD	YTD	1 YR	3 YR	5 YR	Since Inception Oct 24, 2017
VictoryShares Core Intermediate Bond ETF (UITB)						
Net Asset Value (NAV)	6.64	6.47	6.47	-2.56	2.13	1.69
Closing Market Price	6.59	6.51	6.51	-2.51	2.20	1.72
<i>Bloomberg U.S. Aggregate Bond Index</i>	6.82	5.53	5.53	-3.31	1.10	—

CALENDAR YEAR RETURNS (%)

	2023	2022	2021	2020	2019	2018
VictoryShares Core Intermediate Bond ETF (NAV)	6.47	-12.29	-0.92	8.09	11.15	-0.89
Bloomberg U.S. Aggregate	5.53	-13.01	-1.54	7.51	8.72	0.01

Source: Zephyr

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VictoryShares Core Plus Intermediate Bond ETF



VictoryShares Core Plus Intermediate Bond ETF (UBND)



Overview

STRATEGY SUMMARY

- **Actively Managed Core Plus Fixed Income Exposure** – Invests in a diverse portfolio of primarily investment grade fixed income securities while managing duration +/- 1 year of the benchmark.
- **Focused on the Fundamentals** – Bottom-up security selection underpinned by a research process honed over 50+ years.
- **Relative Value Drives Asset Allocation not a Benchmark** – Portfolio construction driven by comprehensive risk vs. reward evaluation.

CHARACTERISTICS

Net Assets	\$260.1M
Fund Inception	10/04/2021
Avg Effective Duration (years)	5.45
SEC Yield (subsidized)	4.98
SEC Yield (unsubsidized)	4.98
# of Securities	667
Annual Turnover (Year ended 06/30/23)	60%
Morningstar Category	Intermediate Core Plus Bond

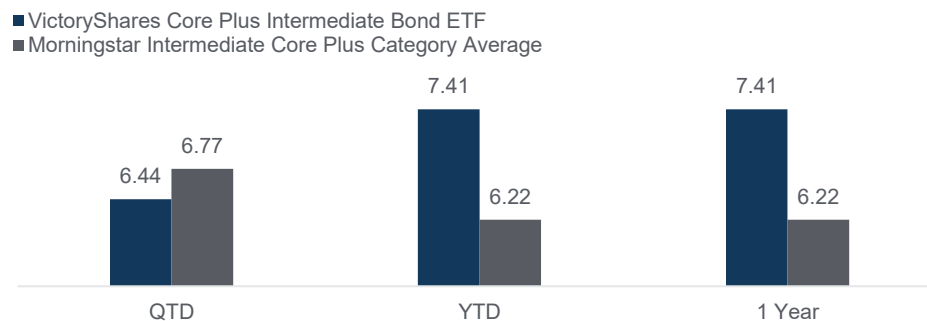
Source: FactSet as of December 31, 2023

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MORNINGSTAR		Category: Intermediate Core-Plus Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
-	-	-	-		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
77% / 648	13% / 632	13% / 632	-	-	-

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

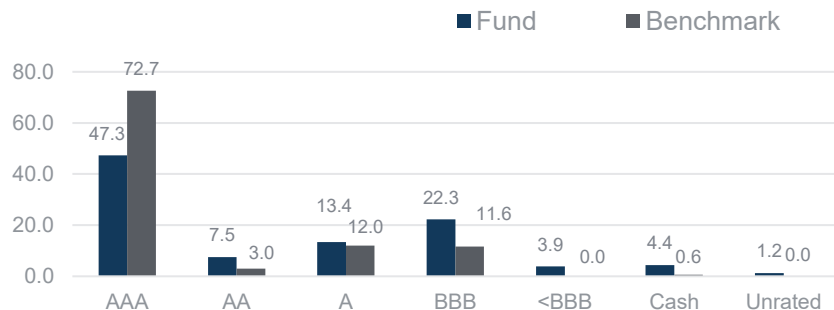


VictoryShares Core Plus Intermediate Bond ETF (UBND)

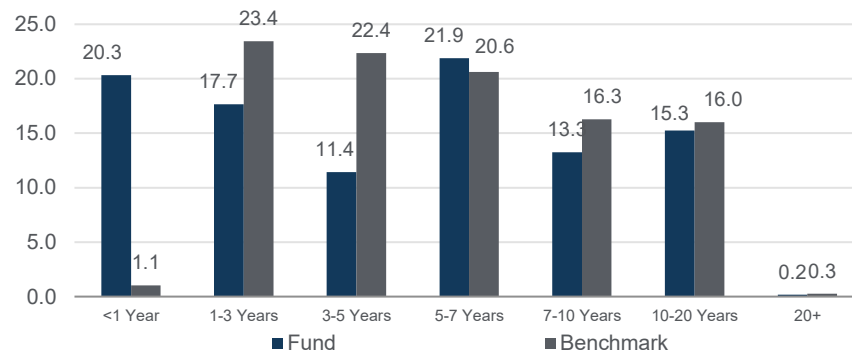


Portfolio review

CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

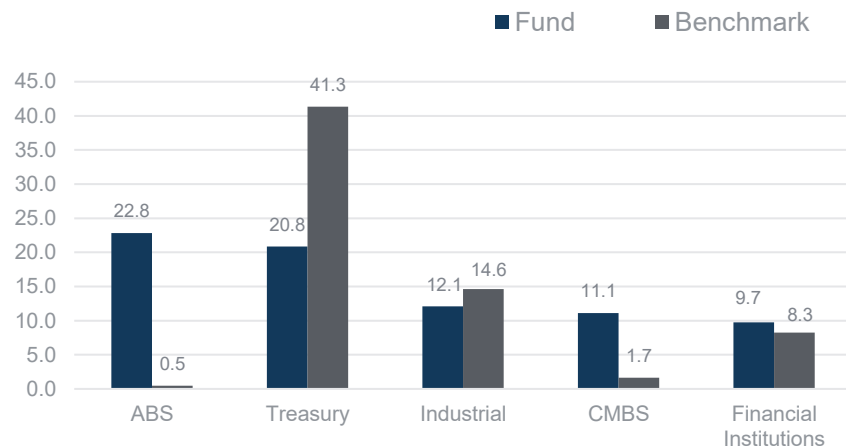


TOP 10 ISSUERS

% of Portfolio

US Government	32.07
Hertz Vehicle Financing LLC	0.87
Vbtel	0.87
Evgrn	0.83
Mcct	0.72
Barhn 2023-1	0.66
Fkh 2021-Sfr3	0.66
Cadillac Fairview Prp Tr	0.63
Schwab (Charles) Corp	0.62
Fordr 2023-1	0.62

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg US Aggregate Bond Index.

VictoryShares Core Plus Intermediate Bond ETF (UBND)



Average Annual Total Returns

As of December 31, 2023

RETURNS (%)	QTD	YTD	1 YR	3 YR	5 YR	Since Inception Oct 4, 2021
VictoryShares Core Plus Intermediate Bond ETF						
Net Asset Value (NAV)	6.44	7.41	7.41	—	—	-2.82
Closing Market Price	6.51	7.44	7.44	—	—	-2.70
<i>Bloomberg U.S. Aggregate Bond Index</i>	6.82	5.53	5.53	-3.31	1.10	—

Source: Zephyr

Launched November 2021. Calendar year returns not yet available.

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VictoryShares Corporate Bond ETF



VictoryShares Corporate Bond ETF (UCRD)



Overview

STRATEGY SUMMARY

- **Credit Focused** – Primarily invests in credit focused, investment grade corporate debt securities with the objectives of generating maximum current income without undue risk to principal.
- **Duration Targeted** – Manage the duration of the portfolio within +/- 1 year of the duration of the Bloomberg US Corporate Bond Index.
- **Relative Value** – Highly diverse portfolio of corporate securities across multiple industries, asset classes and ratings with a focus on a bond's ability to generate excess return.

CHARACTERISTICS

Net Assets	\$125.6M
Fund Inception	10/04/2021
Avg Effective Duration (years)	6.58
SEC Yield (subsidized)	4.95
SEC Yield (unsubsidized)	4.95
# of Securities	297
Annual Turnover (Year ended 06/30/23)	27%
Morningstar Category	Corporate Bond

Source: FactSet as of December 31, 2023

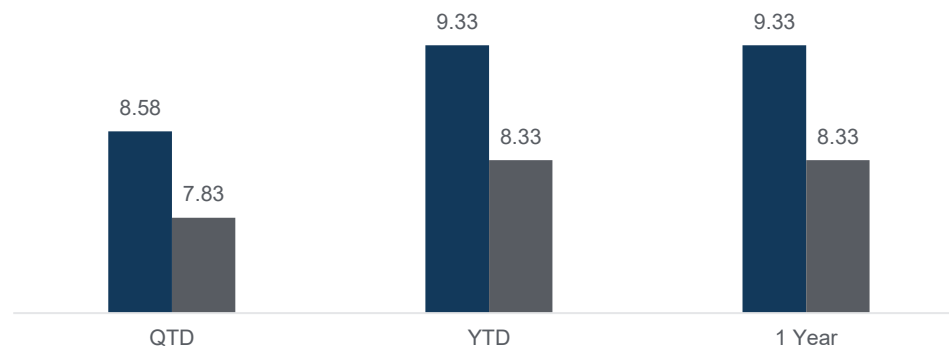
Past performance does not guarantee future results. The performance quoted represents past performance and current performance may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, visit www.vcm.com. Fee waivers and/or expense reimbursements were in place for all or some of the periods shown, without which performance would have been lower and Morningstar Ratings and Rankings may have been different.

MORNINGSTAR		Category: Corporate Bond			
Morningstar Ratings					
Overall	3 YR	5 YR	10 YR		
-	-	-	-		
Morningstar Percentile Rankings/# of Funds					
QTD	YTD	1 YR	3 YR	5 YR	10 YR
17% / 206	11% / 204	11% / 204	-	-	-

Source: Morningstar. Based on the fund share class for the periods ended December 31, 2023. Ratings based on risk-adjusted returns; rankings based on total returns.

Average annual total returns

- VictoryShares Corporate Bond ETF
- Morningstar Corporate Bond Category Average

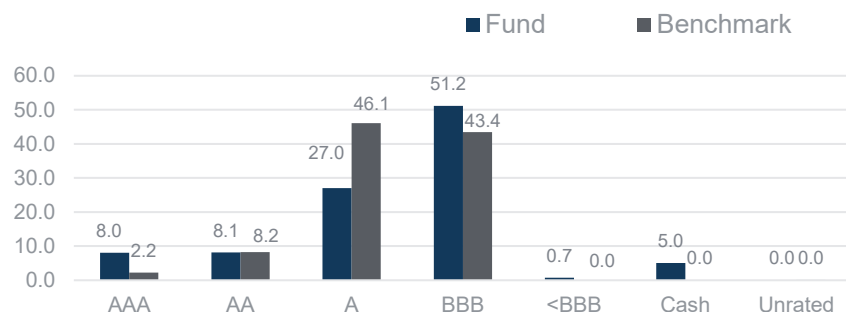


VictoryShares Corporate Bond ETF (UCRD)

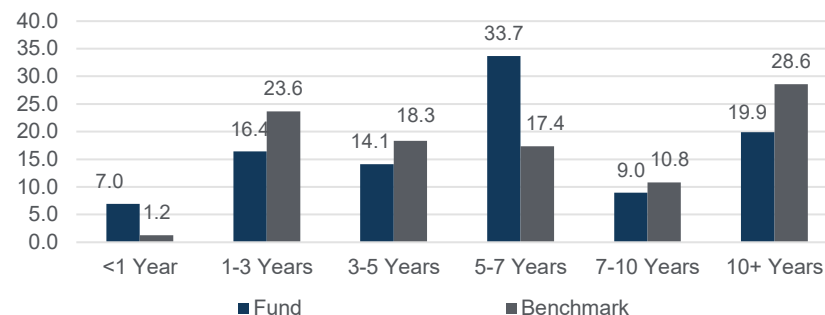
Portfolio review



CREDIT QUALITY (% of portfolio)



DURATION (% of portfolio)

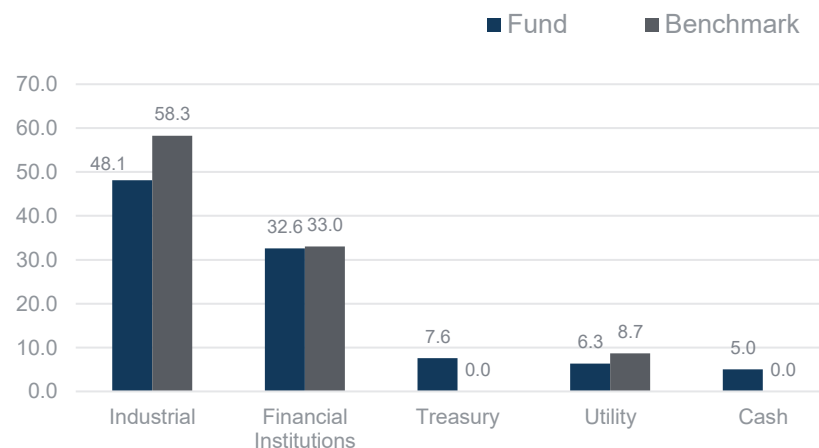


TOP 10 ISSUERS

% of Portfolio

US Government	7.57
Morgan Stanley	2.52
JP Morgan	2.49
Bank of America Corp	2.48
T-Mobile US Inc	1.37
AT&T Inc	1.22
Verizon Communications Inc	1.21
Oracle Corp	1.13
Truist Financial Corp	1.06
Lloyds Banking Group Plc	1.01

TOP 5 SECTORS (% of portfolio)



Source: FactSet as of December 31, 2023

Holdings are subject to change. Benchmark is the Bloomberg US Aggregate Bond Index.

Past performance does not guarantee future results. The performance quoted represents past performance and current performance may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Standardized returns are on the next page.

VictoryShares Corporate Bond ETF (UCRD)

Average Annual Total Returns



As of December 31, 2023

RETURNS (%)

VictoryShares Corporate Bond ETF

	QTD	YTD	1 YR	3 YR	5 YR	Since Inception Oct 4, 2021
Net Asset Value (NAV)	8.58	9.33	9.33	—	—	-4.22
Closing Market Price	8.63	9.27	9.27	—	—	-4.13
<i>Bloomberg U.S. Corporate Bond Index</i>	8.50	8.52	8.52	-3.29	2.63	—

Source: Zephyr

Launched November 2021. Calendar year returns not yet available.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, visit www.vcm.com. ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. The market price used to calculate the Closing Market Price is the last trade as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. Fee waivers and/or expense reimbursements were in place for all or some of the periods shown, without which performance would have been lower. Performance for periods less than one year are not annualized.

Appendix



John Spear, CFA
Co-Chief Investment Officer

John Spear is co-chief investment officer of Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Mr. Spear began his investment career in 1986 and joined the fixed income team at USAA in 1998. Previously, Mr. Spear was a fixed income portfolio manager with One America in Indianapolis. Mr. Spear holds a bachelor's degree from Western Illinois University and an M.B.A. from Butler University. He is a CFA® charterholder.

Industry	Franchise
1986	1998



Jim Jackson, CFA
Co-Chief Investment Officer and Head of Fixed Income Portfolio Management

Jim Jackson is co-chief investment officer and senior portfolio manager of Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Prior to joining Victory Capital, Mr. Jackson was a co-manager of the USAA Life Insurance portfolios. Mr. Jackson joined USAA in 2009. Previous experience includes roles with Hartford Investment Management Company (HIMCO), Barings and Cigna Investment Management. Prior to entering the investment business, Jim served in the United States Marine Corps. Mr. Jackson holds a B.S. in economics from the United States Naval Academy and received an M.B.A. from the Ross School of Business at the University of Michigan in 2001. He is a CFA® charterholder.

Industry	Franchise
2000	2009



Neal Graves, CFA, CPA
Senior Portfolio Manager

Neal Graves is a senior portfolio manager of Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Prior to his role as portfolio manager, Mr. Graves was an asset-backed securities analyst and trader as well as an analyst for the transportation sector. Mr. Graves was also responsible for monitoring and oversight of USAA's securities lending program. Mr. Graves joined USAA in 1998. Mr. Graves holds a master's in professional accounting and B.B.A. in accounting from the University of Texas at Austin. He is a certified public accountant and CFA® charterholder.

Industry	Franchise
1998	1998



Kurt Daum, J.D.
Senior Portfolio Manager

Kurt Daum is a senior portfolio manager of Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Mr. Daum joined USAA in 2013. Previously, Kurt was a director at Highland Capital Management and has worked for AIG Investments and Q Investments. He began his career as an attorney at Akin Gump. Mr. Daum holds a J.D. from the University of Texas School of Law, a B.A. in economics and a B.A. in government from the University of Texas at Austin.

Industry	Franchise
2002	2013



Trae Willoughby, CFA, CPA
Executive Director of Fixed Income

Trae Willoughby is Director of Fixed Income Research for Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Mr. Willoughby began his investment career in 1996 when he joined USAA. Previously, Trae was a senior financial analyst with KPMG. Mr. Willoughby holds a B.B.A. in accounting from Baylor University. He is a certified public accountant and CFA® charterholder.

Industry	Franchise
1995	1996



Brian Smith, CFA, CPA
Senior Portfolio Manager

Brian Smith is a senior portfolio manager for Victory Income Investors, which was formerly known as USAA Investments, a Victory Capital Investment Franchise, and was acquired by Victory Capital in July 2019. Mr. Smith joined USAA in 1985 and has served in roles, including financial statement accountant, corporate Treasury analyst, and as an analyst managing USAA's debt issuance, before joining as an analyst on the fixed income team. Mr. Smith holds a B.B.A. in finance and accounting and an M.B.A. in finance from the University of Texas at San Antonio. He is a CFA® charterholder and a certified public accountant.

Industry	Franchise
1998	1999

Important Information



Carefully consider a fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other important information, visit www.vcm.com/prospectus. Read it carefully before investing.

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.

Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. Bonds and bond funds will decrease in value as interest rates rise and vice versa. Credit risk refers to the possibility that debt issuers may not be able to make principal and interest payments or may have their debt downgraded by ratings agencies. The value of your investment is also subject to geopolitical risks such as wars, terrorism, environmental disasters, and public health crises; the risk of technology malfunctions or disruptions; and the responses to such events by governments and/or individual companies.

ETF redemptions are limited, and commissions are often charged on each trade. ETFs may trade at a premium or discount to their net asset value.

ESG investing is defined as utilizing environmental, social, and governance (ESG) criteria as a set of standards for a company's operations that socially conscious investors use to screen potential investments.

This material should not be construed as a recommendation to buy or sell any security. Individual securities mentioned (if any) should not be construed as a recommendation to buy or sell any security or market sector, but are provided to illustrate broader themes.

Characteristics, Top Ten Holdings, Credit analysis and Sector Allocation source: FactSet. The top ten holdings and sector allocation are presented to illustrate examples of the fund's investments and may not be representative of the fund's current or future investments.

For the Victory High Income Fund: Credit quality ratings on underlying securities of the fund reflect the lowest long-term rating from S&P, Moody's, or Fitch, and are converted to the equivalent S&P major rating category. S&P rates securities in descending order as AAA, AA, A, BBB, BB, B, CCC, CC, C and D. Unrated securities do not necessarily indicate low quality. Below-investment-grade is represented by a rating of BB and below. Quality ratings are subject to change.

For all other Victory Fixed Income Mutual Funds and ETFs: Credit quality ratings on underlying securities of the fund reflect the highest long-term rating from S&P, Moody's, or Fitch, and are converted to the equivalent S&P major rating category. S&P rates securities in descending order as AAA, AA, A, BBB, BB, B, CCC, CC, C and D. Unrated securities do not necessarily indicate low quality. Below-investment-grade is represented by a rating of BB and below. Quality ratings are subject to change.

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V19.113 // 4Q 2023 VINC Taxable Fixed Income PRES

NWCM Glossary & Disclosure

Glossary



The Sharpe Ratio compares the return of an investment with its risk. It's a mathematical expression of the insight that excess returns over a period of time may signify more volatility and risk, rather than investing skill.

Index Definitions:

The Bloomberg Aggregate Bond Index or "the Agg" is a broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

The Bloomberg U.S. Universal Index measures the performance of USD-denominated, taxable bonds that are rated either investment grade or high-yield. It represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index.

The Bloomberg US High Yield 1% Issuer Cap Index TR is an unmanaged index of the 1% Issuer Cap component of the Barclays High Yield Corporate Bond Index, which is a market value-weighted index of fixed rate, non-investment grade debt.

The Bloomberg US High Yield 2% Issuer Cap Index TR is an unmanaged index of the 2% Issuer Cap component of the Barclays High Yield Corporate Bond Index, which is a market value-weighted index of fixed rate, non-investment grade debt.

ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market.

The S&P 500 TR USD measures the performance of 500 widely held U.S. stocks, based on market size, liquidity, and industry group representation. Included are stocks of industrial, financial, utility, and transportation companies.

The Russell 1000 Growth measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

The Russell Midcap Index measures the performance of 800 publicly traded U.S. companies with market caps of between \$2 and \$10 billion. The 800 companies in the Russell Midcap Index are the 800 smallest of the 1,000 companies that comprise Russell 1000 Index.

CRSP US Mid Cap TR USD measures the performance of U.S. companies that fall between the top 70%-85% of investable market capitalization.

The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market.

Disclosures



Performance information is calculated based on monthly performance values as provided by Morningstar or directly from the investment provider.

Investors cannot invest directly in indices. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards.

Due to volatility within the markets mentioned, opinions are subject to change without notice. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Past performance does not guarantee future results.

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