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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

Original

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6/23*

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response..... 12.00

SEC FILE NUMBER
8- 47577

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Victory Capital Advisers, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

4900 Tiedeman Road, 4th Floor

Brooklyn (City) Ohio (State) 44144 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Donald A. Inks 216-898-2426
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

SECURITIES AND EXCHANGE COMMISSION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

(Name - if individual, state last, first, middle name)

**RECEIVED
JUN 21 2015**

1900 Scripps Center, 312 Walnut Street Cincinnati Ohio 45202
(Address) (City) (State) (Zip Code)

DIVISION OF TRADING & MARKETS

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

SECURITIES & EXCHANGE COMMISSION
RECEIVED
MAR 06 2015

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CHICAGO REGIONAL OFFICE

rec'd. Copy 2/28/15

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Donald A. Inks, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Victory Capital Advisers, Inc., as of December 31, 20 14, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Security accounts of principle officers and directors are classified as customer accounts (Debits \$0, Credits \$0)

Donald A. Inks
Signature

Financial Operations Principal
Title

Janet M. Negrelli
Notary Public

JANET M. NEGRELLI
NOTARY PUBLIC • STATE OF OHIO
Recorded in Cuyahoga County
My commission expires Nov. 30, 2015

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Securities and Exchange Commission

Washington, D.C. 20549

Annual Audit Report

Year Ended December 31, 2014

Victory Capital Advisers, Inc.

(Name of Respondent)

4900 Tiedeman Road

Brooklyn, Ohio 44144

(Address of principal executive office)

Mr. Donald A. Inks
Financial Operations Principal
Victory Capital Advisers, Inc.

4900 Tiedeman Road
Brooklyn, Ohio 44144
Telephone No. (216) 898-2426

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

Victory Capital Advisers, Inc.

Year Ended December 31, 2014

With Report of Independent Registered Public Accounting Firm

Victory Capital Advisers, Inc.

Financial Statements and Supplementary Information

Year Ended December 31, 2014

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Cincinnati, OH 45202

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Report of Independent Registered Public Accounting Firm

The Board of Directors of Victory Capital Advisers, Inc.

We have audited the accompanying statement of financial condition of Victory Capital Advisers, Inc. (the Company) as of December 31, 2014, and the related statement of income, changes in shareholder's equity and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victory Capital Advisers, Inc. at December 31, 2014 and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying information contained in Schedules I and II has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

February 25, 2015

Victory Capital Advisers, Inc.

Statement of Financial Condition

December 31, 2014

Assets	
Cash	\$ 2,475,187
Intangible assets	1,500,000
Distribution fees and commissions receivable	2,073,860
Due from affiliates	76,926
Prepaid C share commissions	141,831
Prepays and other receivables	75,674
Total assets	<u>\$ 6,343,478</u>
Liabilities and shareholder's equity	
Liabilities	
Distribution fees payable	\$ 2,005,879
Due to affiliates	199,434
Other liabilities	90,175
Deferred tax liability	103,533
Total liabilities	<u>2,399,021</u>
Shareholder's equity	
Common stock, \$.01 par value; 1,000 shares authorized, 100 shares issued and outstanding	1
Capital surplus	2,791,753
Retained earnings	1,152,703
Total shareholder's equity	<u>3,944,457</u>
Total liabilities and shareholder's equity	<u>\$ 6,343,478</u>

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Statement of Income

Year Ended December 31, 2014

Revenues

Distribution and related fees	\$ 17,302,826
Intercompany support fees	341,597
Commissions, net	106,729
Contingent deferred sales charge	18,373
Interest income	3,420
Total revenues	<u>17,772,945</u>

Expenses

Distribution and related expenses	16,828,987
Intercompany service fees	209,227
Professional fees	68,000
Other expenses	100,602
Total Expenses	<u>17,206,816</u>

Income before taxes	566,129
Provision for income taxes	207,218
Net income	<u>\$ 358,911</u>

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Statement of Changes in Shareholder's Equity

	<u>Common Stock</u>	<u>Capital in Excess of par</u>	<u>Retained Earnings</u>	<u>Total Shareholder's Equity</u>
Balance at December 31, 2013	\$ 1	\$ 2,791,753	\$ 793,792	\$ 3,585,546
Net income	-	-	358,911	358,911
Balance at December 31, 2014	<u>\$ 1</u>	<u>\$ 2,791,753</u>	<u>\$ 1,152,703</u>	<u>\$ 3,944,457</u>

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Statement of Cash Flows

Year Ended December 31, 2014

Cash flows from operating activities	
Net income	\$ 358,911
Adjustments to reconcile net income to net cash provided by operating activities:	
Deferred income taxes	117,699
Amortization of deferred sales commissions	73,464
Changes in operating assets and liabilities	
Increase in distribution fees and commissions receivable	(708,634)
Increase in due from affiliate	(2,384)
Increase in prepaids and other receivables	(54,678)
Increase in deferred commissions	(118,507)
Increase in distribution fees payable	671,766
Increase in other liabilities	48,175
Increase in due to affiliate	95,507
Net cash provided by operating activities	<u>481,319</u>
Cash	
Beginning of period	<u>1,993,868</u>
End of period	<u><u>\$ 2,475,187</u></u>

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Notes to Financial Statements

Year Ended December 31, 2014

1. Organization

Victory Capital Advisers, Inc. (the Company) is an indirectly wholly owned subsidiary of Victory Capital Holdings Inc. (VCH or Parent). The Company is registered with the Securities and Exchange Commission (SEC) as an introducing broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

The Company serves as distributor and underwriter for The Victory Portfolios, The Victory Variable Insurance Funds and The Victory Institutional Funds (collectively, the "Funds") and placement agent for Victory Capital Management, Inc.'s (the Advisor) Victory Capital Series LLC. Substantially all the Company's revenues are earned from the Funds or from the sale of the Funds' shares.

On November 1, 2014, the Funds completed a reorganization moving all series of the Munder Series Trust into the Victory Portfolios, an open-end investment company.

2. Significant Accounting Policies

Cash

Cash represents cash in banks. Cash balances may be in excess of FDIC insurance limits.

Revenue Recognition

Distribution fees represent 12b-1 fees paid by the Funds pursuant to a Distribution Agreement (the "Agreement") between the Funds and the Company. The Agreement continues in effect until terminated by either party. The Company receives 12b-1 fees paid by the Funds for shares sold which are still outstanding. These fees are principally determined based on average daily net assets of the Funds and are accrued monthly. The Company, as principal, records distribution fees on a gross basis as revenue.

Shareholders in certain classes of the Funds' shares pay commissions to the Company for the purchase of those shares based on a percentage of the value of these shares purchased. The Company, in turn, pays a portion of the commissions to the broker-dealers who originated the sale as outlined in their respective agreements. Commission income is recorded net of commission expense such that net commission income represents commissions earned by the Company as selling broker-dealer.

Intercompany support fees are earned monthly by the Company pursuant to a distribution support agreement between the Company and the Advisor.

Victory Capital Advisers, Inc.

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Intangible Assets

Intangible assets with indefinite lives are not amortized but are reviewed at least annually for impairment. The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the intangible asset is less than its carrying amount. As of December 31, 2014, the Company determined it was more likely than not that the intangible asset's fair value was greater than its carrying value and therefore no impairment was identified.

The Company's intangible assets totaled \$1.5 million at December 31, 2014 and are related to the Company's renewable distribution service contracts with the Funds.

Distribution Related Expense

Distribution expense represents 12b-1 fees paid to other broker-dealers who hold outstanding Fund shares that generated the Fund's distribution fees pursuant to the Agreement. Distribution fees not paid to selling brokers may be used to support other distribution related activities as allowed under Distribution Plans that have been adopted by the Funds. Distribution related expenses include, but are not limited to, the printing of prospectuses and reports used for sales purposes, advertisements, expenses of preparation and printing of sales literature, expenses associated with electronic marketing and sales media and communications, and other sales or promotional expenses.

Prepaid C Share Commissions

The Funds maintain a multiclass structure, whereby participating funds offer back-end load shares (Class C shares). The Company may pay upfront sales commissions to dealers and institutions who sell Class C shares of the participating funds at the time of such sale. Payments with respect to Class C shares equal 1.00% of the purchase price of the Class C shares sold by the dealer or institution. The Company retains all payments received related to Class C shares for the first year after they are purchased. After the first full year, the Company will make monthly payments in the amount of 0.75% for distribution services and 0.25% for personal shareholder services to dealers and institutions based on the average daily net assets of Class C shares, which are attributable to shareholders for whom the dealers and institutions are designated as dealers of record. Some of the compensation paid to dealers and institutions is recouped through the contingent deferred sales charge (CDSC) imposed on shares redeemed within 12 months of purchase.

Victory Capital Advisers, Inc.

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

The Company capitalizes Class C share commissions and amortizes such costs over a 12-month period. For the year ended December 31, 2014, amortization expense of \$73,464 was included in distribution and related expenses. CDSC's received by the Company from redeeming shareholders are recognized as revenue.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, subsequent events were evaluated through the time the financial statements were issued. There were no subsequent events required to be either recognized in the financial statements or disclosed in the notes to the financial statements.

3. Income Tax

The Company is included in the federal income tax return filed by the Parent. For financial reporting purposes, the Parent has elected to allocate the consolidated income tax provision among the parent and its subsidiaries on a separate return basis, which includes any tax credits or carryovers and carry backs, subject to recognition of such items on a consolidated basis.

Income taxes included in the statement of income are summarized below.

Current Expense:	
Federal	\$ 83,817
State	5,703
Total current expense	<u>89,520</u>
Deferred expense:	
Federal	112,473
State	5,225
Total deferred expense	<u>117,698</u>
Income tax expense	<u>\$ 207,218</u>

Victory Capital Advisers, Inc.

Notes to Financial Statements (continued)

3. Income Tax (continued)

The difference between income taxes and the amount computed by applying the statutory Federal tax rate of 35% to income before taxes as of December 31, 2014 is as follows.

Federal income tax at U.S. statutory tax rate	\$ 198,145
State income tax rate, net of federal tax benefit	8,932
Other	141
Total income tax expense	<u>\$ 207,218</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred tax liabilities as of December 31, 2014 are as follows:

Deferred tax liability – Prepaid C share commissions	\$ 51,797
Deferred tax liability – Intangible assets	51,736
Total deferred tax liability	<u>\$ 103,533</u>

Deferred tax assets are recoverable from the Parent when they are able to be used. An assessment is conducted of all available evidence to determine the amount of deferred tax assets that are more-likely-than-not to be realized, and therefore recorded. This evidence includes taxable income in prior periods, projected future taxable income and projected future reversals of deferred tax items. As of December 31, 2014, the Company had no deferred tax assets.

The Company's management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken at December 31, 2014. The tax year ended December 31, 2013 is open and is subject to federal, state and local examination. At December 31, 2014, the Company had a \$83,074 payable to the Parent for 2014 federal and state income taxes.

4. Related Party Transactions

For the year ended December 31, 2014, the Company provided various support services to the Advisor such as advertising review, dealer agreement maintenance, compliance training, and other administrative services. The Company charged fees designed to cover the costs of providing such services. The amount charged by the Company amounted to \$341,597 for the year ending December 2014, and is recorded as Intercompany service fee revenue.

Victory Capital Advisers, Inc.

Notes to Financial Statements (continued)

4. Related Party Transactions (continued)

For the year ended December 31, 2014, the Advisor provided various services to the Company such as providing use of office facilities, equipment, personnel and other administrative services. The Company is charged a service fee for these services designed to cover the costs of providing such services. The amount charged to the Company amounted to \$209,227 for the year ending December 2014, and is recorded as Intercompany service fee expense.

Related party transactions are settled monthly via intercompany cash transactions.

5. Net Capital Requirement

As a registered broker-dealer engaged in the sale of redeemable shares of registered investment companies and certain other share accounts, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1 (the Rule), which requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital, can not exceed 15 to 1. At December 31, 2014, the Company had net capital under the Rule of \$1,397,432 which was \$1,244,399 in excess of its minimum required net capital of \$153,033. The Company's ratio of aggregate indebtedness to net capital at December 31, 2014 was 1.64 to 1.

6. Contracts

In the normal course of business, the Company may enter into contracts that contain a number of representations and warranties, which may provide for general or specific indemnifications. The Company's exposure under these contracts is not currently known, as any such exposure would be based on future claims, which could be made against the Company. Management is not currently aware of any such pending claims.

Supplementary Information

Victory Capital Advisers, Inc.

Schedule I - Computation of Net Capital Under
Securities and Exchange Commission Rule 15c3-1

December 31, 2014

Total shareholder's equity from statement of financial condition		\$ 3,944,457
Deductions for nonallowable assets		
Intangible assets	\$ 1,500,000	
Prepaid C share commissions	141,831	
Due from affiliates	76,926	
Distribution fees receivable	752,594	
Prepays and other receivables	75,674	
Net capital		<u>2,547,025</u>
		<u>\$ 1,397,432</u>
Total aggregate indebtedness		<u>\$ 2,295,487</u>
Net capital requirement (greater of 6-2/3% of aggregate indebtedness or \$25,000)		<u>\$ 153,033</u>
Excess net capital at 1,500 percent		<u>\$ 1,244,399</u>
Excess net capital at 1,000 percent		<u>\$ 1,167,883</u>
Percentage of aggregate indebtedness to net capital		<u>164%</u>

Reconciliation with the Company's computation of net capital as of December 31, 2014

Net capital, as reported in the Company's Part IIA (unaudited) FOCUS report, filed January 27, 2015		\$ 1,406,802
Adjustments		
Tax adjustments		(5,241)
Additional intercompany service fees		(6,289)
Other (net)		2,160
Net capital, as reported above and in the Company's Part IIA (unaudited) FOCUS report, filed February 25, 2015		<u>\$ 1,397,432</u>

Victory Capital Advisers, Inc.

**Schedule II - Determination of Reserve Requirements and
Information Relating to Possession or Control Requirements
Under Securities and Exchange Commission Rule 15c3-3**

December 31, 2014

The Company claims exemption under the exemptive provisions of Rule 15c3-3 under Subparagraph (k)(2)(i) - The Company will not hold customer funds or safekeep customer securities.



Ernst & Young LLP
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312 Walnut Street
Cincinnati, OH 45202

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Fax: +1 513 612 1730
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SECURITIES & EXCHANGE COMMISSION
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MAR 06 2015

CHICAGO REGIONAL OFFICE

Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures

To the Board of Directors and Management of Victory Capital Advisers, Inc.:

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and management of Victory Capital Advisers, Inc. (the Company), the Securities Investor Protection Corporation (SIPC), the Securities and Exchange Commission, and the Financial Industry Regulatory Authority in accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934. We performed the procedures solely to assist the specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2014. The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record entries including the general ledger and bank statements.

There were no findings.

2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014 with the amounts reported in Form SIPC-7 for the year ended December 31, 2014.

There were no findings.

3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers.

There were no findings.

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and working papers supporting the adjustments.

There were no findings.



Building a better
working world

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2014. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 25, 2015

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/14

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

047577 FINRA DEC
Victory Capital Advisers, Inc.
4900 Tiedeman Road, 4th Floor
Brooklyn, Ohio 44144-2338

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Don Inks (216) 898-2426

2. A. General Assessment (item 2e from page 2)	\$ <u>135.53</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(<u>87.89</u>)
<u>7/28/14</u>	
Date Paid	
C. Less prior overpayment applied	(<u>-</u>)
D. Assessment balance due or (overpayment)	<u>47.64</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	<u>-</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>47.64</u>
G. PAID WITH THIS FORM:	
Check enclosed, payable to SIPC	
Total (must be same as F above)	<u>\$ 47.64</u>
H. Overpayment carried forward	\$(<u>-</u>)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

NONE

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Victory Capital Advisers, Inc.

(Name of Corporation, Partnership or other organization)

Donald B. Inks

(Authorized Signature)

Dated the 20th day of February, 20 15

Financial Operations Principal

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: _____
 Postmarked Received Reviewed

Calculations _____ Documentation _____ Forward Copy _____

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/14
and ending 12/31/14

Item No.

Eliminate cents

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 17,772,945

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

-
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Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

17,718,733

-
-
-
-
-
-
-
-
-

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ -

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ -

Enter the greater of line (i) or (ii)

Total deductions

-
17,718,733

2d. SIPC Net Operating Revenues

\$ 54,212

2e. General Assessment @ .0025

\$ 135.53

(to page 1, line 2.A.)



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MAR 2 2015

Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying Victory Capital Advisers, Inc. Exemption Report, in which (1) Victory Capital Advisers, Inc. (the Company) identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: ((k)(2)(i)) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions for the period January 1, 2014 through December 31, 2014 without exception. Management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 25, 2015

SECURITIES & EXCHANGE COMMISSION
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Victory Capital Advisers, Inc.

Exemption Report Under Securities and Exchange Commission Rule 17a-5

December 31, 2014

Victory Capital Advisers, Inc. (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company claims exemption under the exemptive provisions in 17 C.F.R. § 240.15c3-3 under Subparagraph (k)(2)(i) - The Company will not hold customer funds or safekeep customer securities. The Company met the identified exemption provisions throughout the most recent fiscal year without exception.

Victory Capital Advisers, Inc.

I, Donald Inks, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

A handwritten signature in black ink, appearing to read "Donald Inks", written in a cursive style.

Financial Operations Principal

February 25, 2015

CONFIDENTIAL