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

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 01/01/2018 (MM/DD/YY) AND ENDING 12/31/2018 (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
(No. and Street)

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

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Christopher A. Ponte (216) 898-2458
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP
(Name – *if individual, state last, first, middle name*)

950 Main Street, Suite 1800	Cleveland	Ohio	44113
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

**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 (11-05)

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OATH OR AFFIRMATION

I, Christopher A. Ponte, 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, 2018, 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)

Chris Ponte
Signature

Principal Financial Officer
Title

JANET M. NEGRELLI
NOTARY PUBLIC • STATE OF OHIO
Recorded in Cuyahoga County
My commission expires Nov. 30, 2020

NOTARIAL SEAL
STATE OF OHIO

Janet M. Negrelli
Notary Public

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

- ☑ (a) Facing Page.
- ☑ (b) Statement of Financial Condition.
- ☑ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☑ (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, 2018

Victory Capital Advisers, Inc.
(Name of Respondent)

4900 Tiedeman Road

Brooklyn, Ohio 44144

(Address of principal executive office)

Mr. Christopher A. Ponte
Principal Financial Officer
Victory Capital Advisers, Inc.

4900 Tiedeman Road
Brooklyn, Ohio 44144
Telephone No. (216) 898-2458

Victory Capital
ADVISERS®

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Victory Capital Advisers, Inc.
Year Ended December 31, 2018
With Report of Independent Registered Public Accounting Firm

Victory Capital Advisers, Inc.

Financial Statements and Supplementary Information

Year Ended December 31, 2018

Contents

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Report of Independent Registered Public Accounting Firm

To the Shareholders and The Board of Directors of
Victory Capital Advisers, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Victory Capital Advisers, Inc. (the Company) as of December 31, 2018, the related statements of income, changes in shareholder's equity and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for the Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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Supplemental Information

The accompanying information contained in Schedules I, II, and III 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

We have served as the Company's auditor since 2007.

February 25, 2019

Victory Capital Advisers, Inc.

Statement of Financial Condition

December 31, 2018

Assets		
Cash	$	4,470,909
Intangible assets		1,500,000
Distribution fees and commissions receivable		1,227,368
Due from affiliates		129,946
Prepaid C share commissions		549,513
Prepaids and other receivables		59,810
Total assets	$	7,937,546
Liabilities and shareholder's equity		
Liabilities		
Distribution fees payable	$	2,333,035
Due to affiliates		121,630
Other liabilities		146,471
Deferred tax liability		267,121
Total liabilities		2,868,257
Shareholder's equity		
Common stock, $.01 par value; 1,000 shares authorized, 100 shares issued and outstanding		1
Additional paid-in capital		2,791,753
Retained earnings		2,277,535
Total shareholder's equity		5,069,289
Total liabilities and shareholder's equity	$	7,937,546

Victory Capital Advisers, Inc.

Statement of Income

Year Ended December 31, 2018

Revenues	
Distribution and related fees	$ 36,819,984
Intercompany support fees	916,949
Commissions, net	376,511
Contingent deferred sales charge	56,567
Interest income	26,867
Total revenues	38,196,878
Expenses	
Distribution and related expenses	34,423,475
Intercompany service fees	469,651
Professional fees	117,000
Other expenses	224,537
Total expenses	35,234,663
Income before taxes	2,962,215
Provision for income taxes	744,586
Net income	$ 2,217,629

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Statement of Changes in Shareholder's Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2017	$ 1	$ 2,791,753	$ 2,559,906	$ 5,351,660
Reclass of retained earnings	-	-	-	-
Dividends paid, $25,000 per share	-	-	(2,500,000)	(2,500,000)
Net income	-	-	2,217,629	2,217,629
Balance at December 31, 2018	$ 1	$ 2,791,753	$ 2,277,535	$ 5,069,289

See accompanying notes to financial statements.

Victory Capital Advisers, Inc.

Statement of Cash Flows

Year Ended December 31, 2018

Cash flows from operating activities	
Net income	$ 2,217,629
Adjustments to reconcile net income to net cash provided by operating activities:	
Deferred income taxes	26,638
Amortization of prepaid C share commissions	528,652
Changes in operating assets and liabilities	
Decrease in distribution fees and commissions receivable	507,510
Decrease in due from affiliate	26,092
Decrease in prepaids and other receivables	61,025
Increase in C share commission payments	(541,862)
Decrease in distribution fees payable	(863,101)
Increase in other liabilities	10,693
Decrease in due to affiliate	(68,482)
Net cash provided by operating activities	1,904,794
Cash flows from investing activities	
Proceeds from sale of investments	$ -
Net cash provided by investing activities	$ -
Cash flows from financing activities	
Dividends paid	(2,500,000)
Net cash used in financing activities	(2,500,000)
Net decrease in cash	(595,206)
Cash, beginning of period	5,066,115
Cash, end of period	$ 4,470,909
Supplemental cash flow information	
Cash paid to Parent for income taxes	$ 772,745

See accompanying notes to financial statements.

1. Organization

Victory Capital Advisers, Inc. (the "Company") is a wholly-owned indirect subsidiary of Victory Capital Holdings Inc. (VCH or Parent) and a wholly-owned direct subsidiary of Victory Capital Operating, LLC (VCO). On February 12, 2018, VCH closed the initial public offering of its Class A common stock, which is listed on the NASDAQ Global Select Market under the symbol "VCTR". The Company is registered with the Securities and Exchange Commission (SEC) as a 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 principal underwriter for the Victory Portfolios, Victory Variable Insurance Funds, Victory Institutional Funds and the mutual fund series of the Victory Portfolios II (collectively, the "Funds"). The Funds are managed by Victory Capital Management Inc. (the "Advisor"), another wholly-owned direct subsidiary of VCO. Substantially all of the Company's revenues are earned from the Funds or in connection with the sale of the Funds' shares.

2. Significant Accounting Policies

Accounting Standards Adopted as of January 1, 2018

The Company adopted Accounting Standards Codification Topic 606: Revenue from Contracts with Customers (ASC 606) on January 1, 2018. In connection with the adoption of this guidance, the Company evaluated its revenue contracts and determined that the new guidance did not change the timing of when the Company recognizes revenue or costs associated with contracts with customers. The new guidance was adopted using the modified retrospective method, and no cumulative effect adjustment was required to be recorded on the adoption date nor were any transition-related practical expedients applied.

Cash

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

Revenue Recognition

The majority of the Company's revenue is earned from two customers, the Funds and the Advisor. Both customers are domiciled in the United States and all services provided by the Company relate to open-end mutual funds.

2. Significant Accounting Policies (continued)

Distribution and related fees

The Company receives fees for sales and sales-related services provided under Distribution Agreements (the "Agreements") between the Funds and the Company. The Agreements continue in effect until terminated by either party. There are no direct costs incurred to obtain these Agreements. The Company satisfies its performance obligation under the Agreements at the point in time when the sale of a share in the Funds occurs. The Company receives 12b-1 fees from the Funds for shares sold which are still outstanding.

Revenue related to the Agreements is measured in an amount that reflects the consideration to which the Company expects to be entitled in exchange for providing distribution services. Distribution and related fees represent variable consideration as it is calculated based on assets under management in share classes covered by the Funds' 12b-1 plans and is subject to factors outside of the Company's control, including investor behavior and activity and market volatility. Revenue is recognized monthly as these uncertainties are resolved, and due to this delay, the majority of revenue relates to distribution obligations satisfied during prior periods. Payment of 12b-1 fees from the Funds are received twice a month, in arrears.

The Company has contractual arrangements with third parties to assist with its provision of certain distribution services. 12b-1 fees are paid by the Company to other broker-dealers who hold outstanding Fund shares that generated the Fund's distribution fee revenue pursuant to the Agreements. 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.

Management evaluated the Agreements with the Funds and agreements with third parties and other broker-dealers and determined the Company controlled distribution services provided to the Funds and acts as principal service provider to the Funds. 12b-1 revenue is recorded gross of the related third-party costs in distribution and related fees in the statement of income. 12b-1 expense is recorded in distribution and related expenses in the statement of income.

Contingent Deferred Sales Charge Revenue (Class C Shares)

The Funds maintain a multiclass structure, including participating funds offering Class C shares, which are back-end load shares. For the first year after the Class C share is purchased, the Company retains 12b-1 fees paid by the participating C share funds. This revenue is calculated as 1.00% of the average daily net asset value of the Class C shares. After the first full year, the Company pays the 1.00% 12b-1 fees (0.75% for distribution services and 0.25% for personal

2. Significant Accounting Policies (continued)

shareholder services) to third party dealers and institutions based on the average daily net assets of Class C shares per contractual agreements with those parties for the provision of certain distribution services.

If the Class C share is sold by the investor before the twelve-month period ends the Company recognizes contingent deferred sales charge revenue (CDSC) equal to 1.00% of the lower of sale proceeds or the original offering price. CDSC revenue is included in contingent deferred sales charge on the statement of income.

The Company may pay upfront commissions at the time of sale to dealers and institutions that sell Class C shares of the participating funds. The sales charges are dictated by the prospectus and statement of additional information and are a direct cost of selling Class C shares. Commission 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 obligations related to the selling of Class C shares are shared by the Company and dealers and the Company does not control the obligation to perform the services. Upfront payments to a dealer or institution for the sale of Class C shares are capitalized by the Company and the cost is amortized over a twelve-month period. The amortization of prepaid C share commissions is recognized in distribution and related expenses in the statement of income.

Net Commissions (Class A Shares)

The Fund's multiclass structure also includes participating funds offering Class A shares, which are front-end load shares. The sales charges are dictated by the prospectus and statement of additional information and depend on the total value of shares being purchased. Front-end sales charges are paid by investors purchasing Class A shares, and the dealer executing the sale retains the majority of the upfront commission and remits a portion to the Company. The sales charge received when the dealer executes the sale is fixed consideration and not subject to reversal, even if the shareholder holds the shares less than one year. The obligations related to the selling of Class A shares are shared by the Company and dealers and the Company does not control the obligation to perform the services. The Company acts as an agent and recognizes as net revenue the portion of front-end commissions received from dealers in commissions, net on the statement of income.

Intercompany Support Fees

The Company provides ongoing support services to the Advisor and the Advisor's personnel pursuant to a distribution agreement between the Company and the Advisor. The Company satisfies its performance obligation over time. Intercompany support fees are recorded on a monthly basis and are paid one month in arrears. The calculation of the monthly fee includes both a fixed and variable portion, the variable portion is substantially larger than the fixed portion and

2. Significant Accounting Policies (continued)

is calculated as a percentage of month end Fund assets. There are no costs associated with obtaining or fulfilling the contract. The revenue is recorded in intercompany support fees on the statement of income.

Segment Reporting

The Company operates in one business segment that serves as distributor and underwriter for the Funds. The Company's determination that it has one operating segment is based on the fact that the Chief Operating Decision Maker reviews the Company's financial performance on an aggregate level.

Intangible Assets

The Company's intangible assets are related to the Company's indefinite-lived renewable distribution service contracts with the Funds. 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, 2018, 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.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

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.

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was enacted. The Tax Act significantly revised the U.S. corporate income tax law by, among other things, decreasing the federal corporate income tax rate from 35% to 21% effective January 1, 2018.

3. Income Tax (continued)

SEC Staff Accounting Bulletin No. 118 (SAB 118) was issued to address situations when a company had not completed the accounting for certain income tax effects of the Tax Act and provided a measurement period of up to one year after the enactment date for the accounting to be completed.

At December 31, 2017, the Company's accounting for the income tax effects of the Tax Act was not complete, as it had yet to collect all the necessary data to complete the analysis of the effect of the Tax Act on the underlying deferred taxes. In 2017, the Company applied the guidance in SAB 118 and recorded a provisional credit to federal tax expense of $136,916 and provisional charge to state and local tax expense, net of federal tax benefits, of $6,259 from remeasuring deferred tax liabilities for the reduced rate that will apply in future periods when these deferred taxes are settled and realized.

As of December 31, 2018, the Company has completed the accounting for the tax effects of the Tax Act, and no adjustments to the provisional amounts recorded in 2017 were recorded in 2018.

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

Current Expense:	
Federal	$ 602,866
State	115,082
Total current expense	717,948
Deferred expense:	
Federal	23,013
State	3,625
Total deferred expense	26,638
Income tax expense	$ 744,586

The difference between income taxes and the amount computed by applying the statutory Federal tax rate of 21% to income before taxes as of December 31, 2018 is as follows.

Federal income tax at U.S. statutory tax rate	$ 622,065
State income taxes, net of federal tax benefit	102,971
Other	19,550
Total income tax expense	$ 744,586

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.

3. Income Tax (continued)

The Company's deferred tax liabilities as of December 31, 2018 are as follows:

Deferred tax liability – Prepaid C share commissions	$ 134,521
Deferred tax liability – Intangible assets	132,600
Total deferred tax liability	$ 267,121

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, 2018, 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, 2018. The tax years ended December 31, 2015, 2016, and 2017 are open and are subject to federal, state and local examination. At December 31, 2018, the Company had a payable of $55,419 to the Parent for federal and state income taxes, which was settled in full in February 2019.

4. Related Party Transactions

The Company provides various support services to the Advisor such as advertising review, dealer agreement maintenance, compliance training, and other administrative services. The Company charges fees designed to cover the costs of providing such services, which are recorded as Intercompany support fees revenue.

The Advisor provides various services to the Company such as use of personnel, office facilities, equipment, and other administrative services. The Company is charged a service fee designed to cover the costs of providing such services, which is recorded as intercompany service fees expense.

Related party support and service fee transactions are settled monthly, in arrears, via intercompany cash transactions. The Advisor pays Ohio commercial activity taxes on a quarterly basis for the Advisor and Company and amounts due to the Advisor by the Company are settled quarterly. Income tax allocated from the Parent is recorded as an intercompany liability and is settled on a quarterly basis.

During the year ended December 31, 2018, the Company paid dividends of $2,500,000 to VCO.

4. Related Party Transactions (continued)

The Company considers the Funds to be related parties as a result of the advisory relationship between the Advisor and the Funds. The Company maintains a reimbursement plan with one of the Funds, Victory Portfolios II, under which 12b-1 fees received by the Company and not paid out as 12b-1 fees to selling brokers must either be paid back to Victory Portfolios II or used to offset mutual fund distribution/marketing expenses. The liability for residual 12b-1 fees received by the Company from Victory Portfolios II is recorded in other liabilities.

A summary of the balances and transactions involving related parties appears below.

		As of December 31, 2018
Related party assets:		
Intercompany support fees receivable	$	68,240
FINRA prepayments and other receivables from affiliates		61,706
Total related party assets	$	129,946
Related party liabilities:		
Intercompany service fees payable	$	44,337
Income and other taxes payable		77,293
Residual 12b-1 fees received from Victory Portfolios II		62,361
Total related party liabilities	$	183,991

		For the Year Ending December 31, 2018
Related party revenue:		
Intercompany support fees	$	916,949
Related party expense:		
Intercompany service fees	$	469,651

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, cannot exceed 15 to 1.

At December 31, 2018, the Company had net capital under the Rule of $2,281,592, which was $2,108,183 in excess of its minimum required net capital of $173,409. The Company's ratio of aggregate indebtedness to net capital at December 31, 2018 was 1.14 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.

7. Pending Transactions

On September 21, 2018, the Parent entered into an agreement to acquire 100% of the equity interests of Harvest Volatility Management. The transaction is expected to close in the second quarter of 2019 and is subject to regulatory and other customary approvals, conditions and consents.

On November 6, 2018, the Parent entered into an agreement to acquire 100% of the outstanding common stock of both USAA Asset Management Company and USAA Transfer Agency Company d/b/a USAA Shareholder Account Services (collectively USAA). The transaction is expected to close around the end of the second quarter of 2019 and is subject to the satisfactions or waiver of certain closing conditions.

It is anticipated that upon the closing of each of these transactions the Company will become the distributor for the acquired mutual funds. At the close of the USAA acquisition it is also expected that the Company will become the distributor for municipal fund securities, issued by the Nevada College Savings Trust Fund, under the USAA 529 College Savings Plan. On January 12, 2019, in connection with the USAA 529 College Savings Plan, the Company registered with the Municipal Securities Rulemaking Board (MSRB), the regulatory body for the municipal securities market.

8. Subsequent Events

In preparing these financial statements, subsequent events were evaluated through February 25, 2019. There were no subsequent events required to be either recognized in the financial statements or disclosed in the notes to the financial statements.

Supplementary Information

Victory Capital Advisers, Inc.

Schedule I - Computation of Net Capital
Under SEC Rule 15c3-1

December 31, 2018

Total shareholder's equity from statement of financial condition		$ 5,069,289
Deductions for nonallowable assets		
Intangible assets	$ 1,500,000	
Prepaid C share commissions	549,513	
Due from affiliates	129,946	
Distribution fees receivable	548,428	
Prepaids and other receivables	59,810	2,787,697
Net capital		$ 2,281,592
Total aggregate indebtedness		$ 2,601,136
Net capital requirement (greater of 6-2/3% of aggregate indebtedness or $25,000)		$ 173,409
Excess net capital at 1,500 percent		$ 2,108,183
Excess net capital at 1,000 percent		$ 2,021,478
Percentage of aggregate indebtedness to net capital		114%

Reconciliation with the Company's computation of net capital as of December 31, 2018

Net capital, as reported above and in the Company's Part IIA (unaudited) FOCUS report, filed January 25, 2019	$ 2,281,592

Victory Capital Advisers, Inc.

Schedule II - Computation for Determination of the Reserve Requirements Under Exhibit A of SEC Rule 15c3-3

December 31, 2018

The Company claims exemption under the exemptive provisions of Rule 15c3-3 under Subparagraph (k)(2)(i).

Victory Capital Advisers, Inc.

Schedule III - Information Relating to the Possession or Control Requirements to SEC Rule 15c3-3

December 31, 2018

The Company will not hold customer funds or safekeep customer securities.

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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. and the Securities Investor Protection Corporation (SIPC), set forth in the Series 600 Rules of SIPC, solely to assist the specified parties in evaluating the Company's schedule of assessments and payments is in accordance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the fiscal year ended December 31, 2018. The Company's management is responsible for the Company's compliance with those requirements. 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 enumerated 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 assessment payments made in accordance with the General Assessment Payment Form (Form SIPC-6) and applied to the General Assessment calculation on Form SIPC-7 with respective cash disbursement record entries (i.e., agreed the assessment payment to the respective ACH wire).

   No findings were found as a result of applying the procedure.

2. Compared the amounts reported in the audited financial statements required by SEC Rule 17a-5 with the amounts reported in Form SIPC-7 for the fiscal year ended December 31, 2018.

   No findings were found as a result of applying the procedure.

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

   No findings were found as a result of applying the procedure.

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

   No findings were found as a result of applying the procedure.

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This agreed-upon procedures engagement was conducted in accordance with the interim attestation standards of the Public Company Accounting Oversight Board (United States) and the attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether Victory Capital Adviser, Inc. 's schedule of assessments and payments is in accordance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the fiscal year ended December 31, 2018. 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, 2019

SIPC-7
(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300
General Assessment Reconciliation

SIPC-7
(36-REV 12/18)

For the fiscal year ended 12/31/2018
(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 44114-2338

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.

Christopher Ponte (216) 898-2458

2. A. General Assessment (item 2e from page 2) $40.30

B. Less payment made with SIPC-6 filed (**exclude interest**) (11.82)
7/26/2018
Date Paid

C. Less prior overpayment applied (-)

D. Assessment balance due or (overpayment) 28.48

E. Interest computed on late payment (see instruction E) for______days at 20% per annum -

F. Total assessment balance and interest due (or overpayment carried forward) $28.48

G. **PAYMENT: √ the box**
Check mailed to P.O. Box ☐ **Funds Wired** ☑ **ACH** ☐
Total (must be same as F above) $28.48

H. Overpayment carried forward $(-)

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)

Chris Ponte
(Authorized Signature)

Principal Financial Officer
(Title)

Dated the 20th day of February, 20 19.

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 1/1/2018 and ending 12/31/2018

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	$38,196,878
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.	-
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.	38,170,011
(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): ______ (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	38,170,011
2d. SIPC Net Operating Revenues	$26,867
2e. General Assessment @ .0015	$40.30
	(to page 1, line 2.A.)

EY
Building a better working world

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Management of
Victory Capital Advisers, Inc.

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 throughout the most recent fiscal year ended December 31, 2018 without exception. Management is responsible for compliance with the exemption provision 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, 2019

VictoryCapital
ADVISERS

4900 Tiedeman Road, 4th Floor • Brooklyn, OH 44144 • 216-898-2458 • vcm.com

Victory Capital Advisers, Inc.

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

December 31, 2018

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

Chris Ponte

Principal Financial Officer

February 25, 2019