



MUTUAL FUNDS

May 31, 2019

Annual Report

USAA Growth and Tax Strategy Fund

Fund
Shares
USBLX

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on usaa.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by notifying your financial intermediary directly, or if you are a direct investor, by calling (800) 235-8396 or logging on to usaa.com.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by notifying your financial intermediary directly, or if you are a direct investor, by calling (800) 235-8396 or logging on to usaa.com. Your election to receive reports in paper will apply to all funds held with the USAA family of funds or your financial intermediary.

Victory Capital means Victory Capital Management Inc., the investment manager of the USAA Mutual Funds. USAA Mutual Funds are distributed by Victory Capital Advisers, Inc., a broker dealer registered with FINRA and an affiliate of Victory Capital. Victory Capital and its affiliates are not affiliated with United Services Automobile Association or its affiliates. USAA and the USAA logos are registered trademarks and the USAA Mutual Funds and USAA Investments logos are trademarks of United Services Automobile Association and are being used by Victory Capital and its affiliates under license.

PRESIDENT'S MESSAGE

“... long-term investors should never make decisions in haste. They should make thoughtful decisions based on their long-term objectives, time horizon, and risk tolerance.”



July 2019

As previously announced, USAA, the parent company of USAA Asset Management Company (“AMCO”), the prior investment adviser to the USAA Mutual Funds, announced that AMCO would be acquired by Victory Capital Holdings, Inc. (Victory Holdings), a global investment management firm headquartered in Cleveland, Ohio (the Transaction). In connection with the Transaction, also as previously announced, shareholders of each USAA Mutual Fund approved a new investment advisory agreement with Victory Capital Management Inc. (“Victory Capital”), an indirect wholly-owned subsidiary of Victory Holdings. The closing of the Transaction occurred on July 1, 2019; and Victory Capital became the investment adviser to each USAA Mutual Fund. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information about changes that took effect on July 1, 2019.**

Softening global economic conditions and escalating trade tensions rattled investors during the 12-month reporting period ended May 31, 2019. When the reporting period began in June 2018, the global economy was expanding across most regions and countries, led by the U.S. In this environment, stocks generally advanced. In the fixed income market, U.S. Treasury yields rose, as the U.S. Federal Reserve (“Fed”) continued to tighten monetary policy.

Signs of trouble emerged during the summer of 2018. The U.S. economic expansion continued, but growth in a number of other economies, including some European countries and China, showed a weakening trend. By the autumn of 2018, investors’ fears of a global economic slowdown, combined with harsh U.S.-China trade rhetoric and Brexit-related uncertainty in Europe, sparked a surge in market volatility. Global stocks dropped, with most of the decline occurring in December 2018. At the same time, intermediate- and longer-term yields fell, as investors anticipated a change in Fed monetary policy. Indeed, after having raised short-term interest rates four times during 2018, Fed officials announced in January 2019 that they would “pause,” retreating from their earlier plan to raise interest rates in 2019. Stocks rallied in response and by April 2019 had recovered most of the ground they had lost. In May 2019, ongoing trade tensions between the United States and China, as well as President Trump administration’s threat to impose tariffs on Mexico, drove a renewed decline in stock prices. In the fixed income market, concerns that trade disputes would seriously undermine global

economic growth pushed down intermediate- and longer-term yields, which ended the reporting period lower than they started. The yield on the 10-year U.S. Treasury note, which began June 2018 at 2.89%, rose to 3.24% on November 8, 2018—its high point of the period—and fell to 2.13% by May 31, 2019.

In the final months of the reporting period, the Treasury yield curve inverted, which means that shorter-term yields were higher than longer-term yields. A yield-curve inversion warrants attention because it has been a reliable recession indicator. Although recessions do not automatically follow inversions, a downward-sloped yield curve has preceded every U.S. recession since the 1960s. That said, the lag between an inversion and a recession has been inconsistent. At USAA Investments, A Victory Capital Investment Franchise, we have found that during the past six decades, the time between inversion and recession has ranged between six months and two years, with no clear pattern to provide useful guidance. And as I write to you, we see no recession on the horizon. First, the U.S. economy continues to grow, albeit at a slower pace than in 2018. Second, the Fed has made clear its commitment to pause its interest rate hikes, and there is a growing belief in the markets that policymakers may even cut interest rates in 2019. (In early June 2019, after the end of the reporting period, Fed Chair Jerome Powell stated that the U.S. central bank was monitoring the escalation in trade tensions and could potentially respond by cutting interest rates if U.S. economic conditions deteriorate.)

At USAA Investments, our team of portfolio managers will continue to monitor the financial markets, economic conditions, the global trade regime, Fed policy, the direction of longer-term interest rates, and other issues that have the potential to affect your investments. In the meantime, I would advise you to ignore media “noise” about such matters. Media “noise” is meant to provoke an emotional reaction, which can lead to hasty decision-making. In my opinion, long-term investors should never make decisions in haste. They should make thoughtful decisions based on their long-term objectives, time horizon, and risk tolerance. Dollar-cost averaging, in which you invest a set amount on a regular basis, is a strategy that can help you stay on track. Another effective strategy is diversification, which can potentially insulate a portfolio from market turbulence or changes in performance leadership.

If you would like to review your portfolio to confirm that it is properly aligned with your investment plan, please contact one of our financial advisors. You might want to make that call before the summer gets fully underway. When we are traveling and spending time with family and friends, it can be tempting to put off decisions on financial matters.

From all of us at USAA Investments, A Victory Capital Investment Franchise, thank you for the opportunity to help you with your investment needs.

Sincerely,



Brooks Englehardt
President

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This report is for the information of the shareholders and others who have received a copy of the currently effective prospectus of the Fund, managed by USAA Asset Management Company. It may be used as sales literature only when preceded or accompanied by a current prospectus, which provides further details about the Fund.

IRA DISTRIBUTION WITHHOLDING DISCLOSURE

We generally must withhold federal income tax at a rate of 10% of the taxable portion of your distribution and, if you live in a state that requires state income tax withholding, at your state's tax rate. However, you may elect not to have withholding apply or to have income tax withheld at a higher rate. Any withholding election that you make will apply to any subsequent distribution unless and until you change or revoke the election. If you wish to make a withholding election or change or revoke a prior withholding election, call (800) 235-8396.

If you do not have a withholding election in place by the date of a distribution, federal income tax will be withheld from the taxable portion of your distribution at a rate of 10%. If you must pay estimated taxes, you may be subject to estimated tax penalties if your estimated tax payments are not sufficient and sufficient tax is not withheld from your distribution.

For more specific information, please consult your tax adviser.

MANAGERS' COMMENTARY ON THE FUND

John C. Bonnell, CFA
Dale R. Hoffmann

Northern Trust Investments, Inc.

***Christopher A. Fronk**, CFA
Jacob C. Weaver, CFA

■ What were the market conditions during the 12-month reporting period ended May 31, 2019?

Tax-exempt bonds posted gains during the reporting period, due in part to falling municipal yields. (Bond prices and yields move in opposite directions.) Municipal yields rose during the first five months of the reporting period amid continued short-term interest rates increases by the Fed. In early November 2018, changing expectations about Fed monetary policy and heightened risk aversion sent municipal yields lower. The downward trend continued in early 2019, as U.S. economic growth moderated and the Fed announced it would pause its interest rate increases. In March 2019, as market participants began speculating that the Fed might actually cut rates in 2019, municipal yields declined significantly, falling to their lows of the period at the end of May 2019. The yield on a 30-year AAA general obligation bond fell 55 basis points during the reporting period, from 2.87% on May 31, 2018, to 2.32% on May 31, 2019. (A basis point is 1/100th of a percentage point.) Supply-and-demand conditions also supported tax-exempt bond prices during the reporting period. Supply was tight, as new issuance remained low in the wake of tax reform. Demand was intense, with many new deals significantly oversubscribed. The buying was dominated by U.S. individuals, who broadly favored municipal bonds for their relative

*Effective May 31, 2019, Mary Lukic will be replacing Christopher A. Fronk as a portfolio manager of the Fund.

safety and incremental yield. Some observers suggested that a \$10,000 cap on state and local tax deductions contributed to U.S. individuals' appetite for tax-advantaged investments.

U.S. stocks recorded positive returns during the reporting period despite substantial market volatility. When the reporting period began, they benefited from the ongoing strength of the U.S. economy. A healthy job market, characterized by rising wage growth and unemployment at multi-year lows, boosted consumer confidence, which drove an increase in discretionary spending. The global picture was less rosy, however, with economic growth slowing in a number of countries during the closing months of 2018. Concerns about the global economic outlook drove a steep decline in U.S. stocks, which was amplified by worries that continued Fed interest rate increases could dampen U.S. economic growth. The U.S.-China trade dispute also weighed on market sentiment. In early 2019, U.S. stocks rebounded, rallying on solid U.S. economic data and the Fed's announcement that it was unlikely to raise interest rates during 2019. Stocks retreated again in May 2019, as President Trump threatened to impose tariffs on Mexico and said the United States would not change its stance in trade negotiations with China. In this environment, seven of the eleven sectors in the S&P 500® Index advanced. The real estate, utilities, and consumer staples sectors produced the strongest positive returns, posting double-digit gains. The energy sector led decliners, followed by materials and to a lesser extent, financials and industrials.

■ **How did the USAA Growth and Tax Strategy Fund (the “Fund”) perform during the reporting period?**

The Fund had a total return of 4.83% for the reporting period ended May 31, 2019. This compares to a total return of 3.78% for the S&P 500® Index (the “Index”), 6.40% for the Bloomberg Barclays Municipal Bond Index, and 4.46% for the Composite Index.

Refer to page 5 for benchmark definitions.

Past performance is no guarantee of future results.

Effective July 1, 2019, Victory Capital serves as the Fund's investment adviser. Prior to July 1, 2019, AMCO served as the Fund's investment adviser. As the investment adviser, AMCO employs dedicated resources to support the research, selection, and monitoring of the Fund's subadviser. Northern Trust Investments, Inc. (NTI) is a subadviser to the Fund. The investment adviser and the subadviser each provide day-to-day discretionary management for a portion of the Fund's assets.

■ **How did the municipal bond portion of the Fund perform?**

The municipal bond portion of the Fund continued to benefit from our focus on income generation. In keeping with our investment approach, we seek to maximize tax-free income without taking undue risk. Although the municipal bond portfolio benefited from price appreciation during the reporting period, its income distribution and the compounding of that income accounts for most of its total return over the long term. As always, we maintained our commitment to independent credit research. We sought to identify attractive investment opportunities using fundamental analysis that emphasizes an issuer's ability and willingness to repay its debt. Working with our in-house team of credit analysts, we selected investments on a bond-by-bond basis. We use credit research as we seek to recognize relative value and avoid potential pitfalls. The municipal bond portion of the Fund remains well diversified and we avoid municipal bonds subject to the federal alternative minimum tax for individuals.

■ **How did the equity portion of the Fund perform?**

The equity portion of the Fund produced a positive return close to the 3.78% return of the Index. The relative strength or weakness of certain sectors in the Index did not have an outsized impact on the equity portion of the Fund as its sector exposures are similar to those of the Index. In keeping with our investment approach, we sought to limit both short-term and long-term capital gains. More specifically, we kept realized

capital gains down by limiting the sale of securities that had increased in value and realizing capital losses on securities that had decreased in value. In addition, because of market volatility during the reporting period, we sought to reduce “active risk” (the risk that the equity portion of the Fund will not perform in line with the Index because of our efforts to achieve tax efficiency). The equity portion of the Fund also continued to receive dividend income from its stock holdings. Because of the solid dividend growth of S&P 500® Index-listed companies, it maintained a dividend yield similar to prior periods.

Thank you for allowing us to help you manage your investments.

As interest rates rise, existing bond prices generally fall; given the historically low interest rate environment, risks associated with rising interest rates may be heightened. • Some income may have been subject to state or local taxes but not the federal alternative minimum tax.

INVESTMENT OVERVIEW

■ AVERAGE ANNUAL TOTAL RETURNS AS OF 5/31/19 ■

	1 Year	5 Year	10 Year
USAA Growth and Tax Strategy Fund	4.83%	6.24%	9.04%
S&P 500 Index* (reflects no deduction for fees, expenses, or taxes)	3.78%	9.65%	13.93%
Bloomberg Barclays Municipal Bond Index** (reflects no deduction for fees, expenses, or taxes)	6.40%	3.58%	4.58%
Composite Index*** (reflects no deduction for taxes)	4.46%	6.05%	8.73%

*The unmanaged S&P 500 Index represents the weighted average performance of a group of 500 widely held, publicly traded stocks.

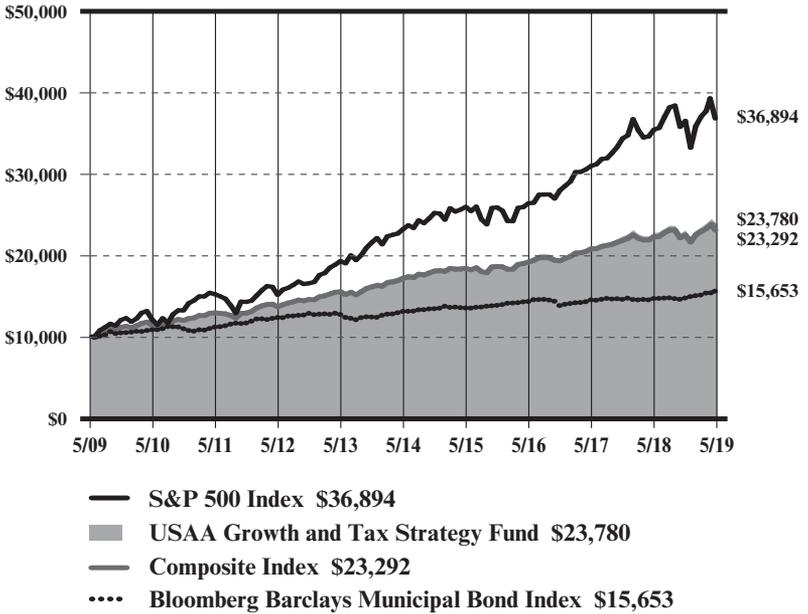
**The unmanaged Bloomberg Barclays Municipal Bond Index is a benchmark of total return performance for the long-term, investment-grade, tax-exempt bond market.

***The Composite Index is comprised of 51% of the Lipper General Municipal Bond Funds Index and 49% of the Lipper Large-Cap Core Funds Index. The unmanaged Lipper General Municipal Bond Funds Index tracks the total return performance of the funds within this category. This category includes funds that invest at least 65% of their assets in municipal debt issues in the top four credit categories. The unmanaged Lipper Large-Cap Core Funds Index tracks the total return performance of the funds within this category. This category includes funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) of greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P 500 Index. Large-cap core funds have more latitude in the companies in which they invest. These funds have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales growth figure, compared to the S&P 500 Index.

The performance data quoted represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance data current to the most recent month-end, visit usaa.com.

Total return measures the price change in a share assuming the reinvestment of all net investment income and realized capital gain distributions, if any. The total returns quoted do not reflect adjustments made to the enclosed financial statements in accordance with U.S. generally accepted accounting principles or the deduction of taxes that a shareholder would pay on net investment income and realized capital gain distributions, including reinvested distributions, or redemptions of shares.

■ GROWTH OF \$10,000 INVESTMENT ■



Data from 5/31/09 through 5/31/19.

The graph illustrates the comparison of a \$10,000 hypothetical investment in the USAA Growth and Tax Strategy Fund to the benchmarks listed above (see page 5 for benchmark definitions).

Past performance is no guarantee of future results, and the cumulative performance quoted does not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of shares. Indexes are unmanaged and you cannot invest directly in an index. The return information for the indexes does not reflect the deduction of any fees, expenses, or taxes, except that the Composite Index reflects the fees and expenses of the underlying funds included in the Composite Index.

■ **TOP 10 INDUSTRIES – 5/31/19** ■

(% of Net Assets)

Internet	4.3%
Software	3.5%
Banks	2.9%
Pharmaceuticals	2.7%
Retail	2.5%
Computers	2.3%
Diversified Financial Services	2.0%
Insurance	2.0%
Oil & Gas	1.8%
Healthcare Products	1.8%

The Portfolio of Investments uses the Bloomberg Industry Classification System (BICS), which may differ from the Fund's compliance classification.

■ **TOP 5 TAX-EXEMPT BONDS – 5/31/19** ■

(% of Net Assets)

City of Lewisville	0.9%
El Centro Financing Auth.	0.8%
Health Care Facilities Auth.	0.7%
Port of Port Arthur Navigation District	0.6%
West Contra Costa Unified School District	0.6%

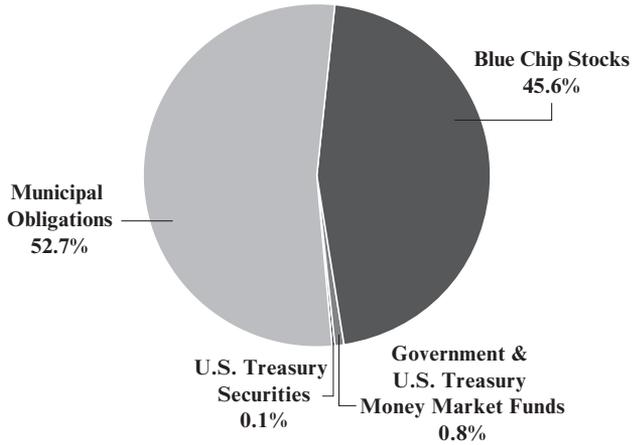
■ **TOP 5 BLUE CHIP STOCKS – 5/31/19** ■

(% of Net Assets)

Microsoft Corp.	1.9%
Apple, Inc.	1.6%
Amazon.com, Inc.	1.5%
Facebook, Inc. "A"	0.8%
Berkshire Hathaway, Inc. "B"	0.7%

Refer to the Portfolio of Investments for a complete list of securities.

■ ASSET ALLOCATION* – 5/31/19 ■
(% of Net Assets)



*Does not include futures.

Percentages are of the net assets of the Fund and may not equal 100%.

SHAREHOLDER VOTING RESULTS

On April 18, 2019, a special meeting of shareholders was held to vote on two proposals relating to the series of the USAA Mutual Funds Trust (Trust). Shareholders of record on February 8, 2019, were entitled to vote on each proposal shown below. The proposals were approved by the shareholders.

The following proposals and voting results pertain to one or more series within the Trust. Votes shown for Proposal 1 are for the Fund, a series of the Trust. Votes shown for Proposal 2 are for all series of the Trust. The effective date of the Proposals was July 1, 2019.

PROPOSAL 1

To approve a new Investment Advisory Agreement between the Trust, on behalf of the Fund, and Victory Capital, an independent investment adviser. The new Investment Advisory Agreement became effective upon the closing of the Transaction (as defined and discussed in Note 1 to the Financial Statements) whereby AMCO was acquired by Victory Holdings, the parent company of Victory Capital.

Number of shares voting		
For	Against	Abstain
9,901,373	1,200,979	710,146

PROPOSAL 2

Election of two new trustees to the Trust's Board of Trustees to serve upon the closing of the Transaction: (1) David C. Brown, to serve as an "interested trustee" as defined in the Investment Company Act of 1940, as amended (1940 Act); and (2) John C. Walters, to serve as a trustee who is not an "interested person" as is defined under the 1940 Act ("Independent Trustee").

Trustees	Number of shares voting	
	For	Votes Withheld
David C. Brown	8,299,565,565	820,887,736
John C. Walters	8,317,935,885	802,517,416

DISTRIBUTIONS TO SHAREHOLDERS

The following federal tax information related to the Fund's fiscal year ended May 31, 2019, is provided for information purposes only and should not be used for reporting to federal or state revenue agencies. Federal tax information for the calendar year will be reported to you on Form 1099-DIV in January 2020.

With respect to distributions paid, the Fund designates the following amounts (or, if subsequently determined to be different, the maximum amount allowable) for the fiscal year ended May 31, 2019:

Dividend Received Deduction (corporate shareholders)⁽¹⁾	Tax-Exempt Income^(1,2)	Long-Term Capital Gain Distributions⁽³⁾	Qualified Interest Income
100%	69.95%	\$981,000	\$6,000

⁽¹⁾ Presented as a percentage of net investment income and short-term capital gain distributions paid, if any.

⁽²⁾ All or a portion of these amounts may be exempt from taxation at the state level.

⁽³⁾ Pursuant to Section 852 of the Internal Revenue Code.

For the fiscal year ended May 31, 2019, the Fund hereby designates the maximum amount allowable of its net taxable income as qualified dividends taxed at individual net capital gain rates.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of USAA Growth and Tax Strategy Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of USAA Growth and Tax Strategy Fund (the “Fund”) (one of the funds constituting USAA Mutual Funds Trust (the “Trust”)), including the portfolio of investments, as of May 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period 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 Fund (one of the funds constituting USAA Mutual Funds Trust) at May 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. 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 Trust 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 audits 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. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits 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 procedures included confirmation of securities owned as of May 31, 2019, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits 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 audits provide a reasonable basis for our opinion.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

We have served as the auditor of one or more Victory Capital investment companies since 1995.
San Antonio, Texas
July 23, 2019

PORTFOLIO OF INVESTMENTS

May 31, 2019

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
TAX-EXEMPT SECURITIES (52.7%)				
MUNICIPAL OBLIGATIONS (52.7%)				
Alabama (0.3%)				
\$ 1,000	Lower Alabama Gas District	5.00%	9/01/2046	\$ 1,331
Arizona (1.0%)				
1,300	City of Phoenix IDA	5.00	7/01/2046	1,410
1,000	IDA	5.00	7/01/2047	1,136
500	Maricopa County IDA	5.00	9/01/2042	581
1,000	Pima County IDA ^(a)	5.00	6/15/2047	1,024
1,000	Student & Academic Services LLC (INS - Build America Mutual Assurance Co.)	5.00	6/01/2044	1,121
				<u>5,272</u>
California (3.5%)				
400	Antioch Unified School District (LIQ - Deutsche Bank A.G.) (LOC - Deutsche Bank A.G.) ^{(a),(b)}	1.47	8/01/2047	400
4,350	El Centro Financing Auth. (LIQ - Deutsche Bank A.G.) (LOC - Deutsche Bank A.G.) ^{(a),(b)}	1.70	7/01/2058	4,350
1,200	Jurupa Public Financing Auth.	5.00	9/01/2042	1,358
2,000	Monterey Peninsula Unified School District (PRE) (INS - Assured Guaranty Municipal Corp.)	5.50	8/01/2034	2,184
1,000	State	5.00	2/01/2043	1,111
1,000	State	5.00	8/01/2045	1,165
1,000	Statewide Communities Dev. Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	11/15/2049	1,134
1,000	Sutter Butte Flood Agency (INS - Build America Mutual Assurance Co.)	5.00	10/01/2040	1,152
1,500	Twin Rivers Unified School District (INS - Build America Mutual Assurance Co.)	5.00	8/01/2040	1,685
1,000	Val Verde Unified School District (INS - Build America Mutual Assurance Co.)	5.00	8/01/2044	1,161
4,435	West Contra Costa Unified School District (INS - National Public Finance Guarantee Corp.) (Zero Coupon)	0.00	8/01/2034	2,838
				<u>18,538</u>

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
Colorado (2.3%)				
\$ 1,000	Denver Convention Center Hotel Auth.	5.00%	12/01/2040	\$ 1,142
1,900	Denver Health & Hospital Auth.	5.00	12/01/2048	2,170
1,000	Educational & Cultural Facilities Auth.	5.00	12/01/2038	1,181
710	Educational & Cultural Facilities Auth.	5.00	4/01/2048	819
1,000	Health Facilities Auth.	5.00	12/01/2042	1,060
1,000	Health Facilities Auth.	5.00	6/01/2045	1,104
250	Park Creek Metropolitan District	5.00	12/01/2041	281
1,000	Park Creek Metropolitan District	5.00	12/01/2045	1,116
1,000	Rampart Range Metropolitan District No. 1 (INS - Assured Guaranty Municipal Corp.)	5.00	12/01/2047	1,169
2,000	Regional Transportation District	5.38	6/01/2031	2,070
				<u>12,112</u>
Connecticut (0.6%)				
4,766	Mashantucket (Western) Pequot Tribe ^{(c),(d)}	2.05 ^(e)	7/01/2031	163
1,500	State	5.00	4/15/2036	1,816
1,000	State	5.00	4/15/2037	1,189
				<u>3,168</u>
District of Columbia (0.2%)				
1,100	District	5.00	7/01/2042	<u>1,187</u>
Florida (3.2%)				
1,000	Atlantic Beach	5.00	11/15/2048	1,115
1,000	City of Jacksonville	5.00	10/01/2029	1,102
1,875	Escambia County Housing Finance Auth. (PRE) (INS - Assured Guaranty Municipal Corp.)	5.75	6/01/2031	1,875
1,000	Halifax Hospital Medical Center	5.00	6/01/2046	1,092
2,000	Lee County IDA	5.00	11/01/2025	2,099
645	Lee County IDA	5.50	10/01/2047	692
1,450	Lee Memorial Health System	5.00	4/01/2044	1,728
1,300	Miami-Dade County Water & Sewer System (PRE)	5.00	10/01/2034	1,361
1,000	Palm Beach County Health Facilities Auth.	5.00	11/15/2045	1,146
700	Sarasota County Health Facilities Auth.	5.00	5/15/2038	781
1,000	Southeast Overtown Park West Community Redev. Agency ^(a)	5.00	3/01/2030	1,119
1,505	Tampa-Hillsborough County Expressway Auth.	5.00	7/01/2037	1,641
1,000	Volusia County Educational Facility Auth.	5.00	10/15/2045	1,117
				<u>16,868</u>
Georgia (0.3%)				
300	Floyd County Dev. Auth. ^(b)	2.29	9/01/2026	300
1,000	Glynn-Brunswick Memorial Hospital Auth.	5.00	8/01/2047	1,132
400	Monroe County Dev. Auth. ^(b)	2.29	11/01/2048	400
				<u>1,832</u>

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
Guam (0.4%)				
\$ 750	Antonio B Won Pat International Airport Auth. (INS - Assured Guaranty Municipal Corp.)	5.50%	10/01/2033	\$ 861
1,000	Waterworks Auth.	5.50	7/01/2043	1,093
				<u>1,954</u>
Illinois (4.7%)				
1,000	Bureau County Township HSD No. 502 (INS - Build America Mutual Assurance Co.)	5.00	12/01/2037	1,175
1,000	Chicago Midway International Airport	5.00	1/01/2041	1,146
1,000	Chicago O'Hare International Airport (INS - Assured Guaranty Municipal Corp.)	5.25	1/01/2033	1,110
1,000	Chicago O'Hare International Airport	5.00	1/01/2041	1,167
1,000	City of Chicago Wastewater Transmission	5.00	1/01/2044	1,081
1,000	City of Chicago Wastewater Transmission	5.00	1/01/2047	1,116
1,000	City of Chicago Waterworks	5.00	11/01/2044	1,103
1,000	Cook County CCD No. 508 (INS - Build America Mutual Assurance Co.)	5.00	12/01/2047	1,129
1,000	Cook County Sales Tax	5.00	11/15/2038	1,164
1,000	Educational Facilities Auth.	4.00	11/01/2036	1,074
1,000	Finance Auth.	3.90	3/01/2030	1,066
2,000	Finance Auth. (PRE)	6.00	10/01/2032	2,162
1,000	Finance Auth.	5.00	5/15/2037	1,085
1,275	Finance Auth.	5.00	5/15/2040	1,351
1,000	Finance Auth.	4.00	10/01/2040	1,076
1,000	Finance Auth.	4.00	2/15/2041	1,081
1,000	Finance Auth.	5.00	8/15/2044	1,109
1,000	Finance Auth.	5.00	10/01/2044	1,196
1,000	Finance Auth.	5.00	5/15/2045	1,083
1,000	Northern Illinois Municipal Power Agency	4.00	12/01/2041	1,063
1,235	Sangamon County Water Reclamation District	5.75	1/01/2053	1,433
				<u>24,970</u>
Indiana (1.0%)				
500	Ball State University (PRE)	5.00	7/01/2030	519
1,000	Evansville Redev. Auth. (INS - Build America Mutual Assurance Co.)	4.00	2/01/2039	1,073
1,000	Finance Auth.	5.00	2/01/2040	1,113
1,000	Finance Auth.	5.00	10/01/2044	1,069
1,500	Richmond Hospital Auth.	5.00	1/01/2039	1,661
				<u>5,435</u>
Kansas (1.2%)				
1,000	City of Coffeyville Electric System (INS - National Public Finance Guarantee Corp.) ^(a)	5.00	6/01/2042	1,120
1,500	City of Lawrence	5.00	7/01/2043	1,751

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
\$ 1,000	City of Wichita	4.63%	9/01/2033	\$ 1,012
1,250	Wyandotte County & Kansas City Unified Government Utility System	5.00	9/01/2044	1,400
1,000	Wyandotte County & Kansas City Unified Government Utility System	5.00	9/01/2045	1,139
				<u>6,422</u>
	Kentucky (0.6%)			
1,000	City of Ashland	5.00	2/01/2040	1,086
1,000	Economic Dev. Finance Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	12/01/2045	1,155
1,000	Economic Dev. Finance Auth.	5.00	5/15/2046	1,044
				<u>3,285</u>
	Louisiana (2.6%)			
1,000	City of Shreveport Water & Sewer (INS - Build America Mutual Assurance Co.)	5.00	12/01/2039	1,121
1,000	City of Shreveport Water & Sewer	5.00	12/01/2040	1,129
500	City of Shreveport Water & Sewer (INS - Assured Guaranty Municipal Corp.)	4.00	12/01/2044	543
1,500	Gasoline & Fuels Tax	5.00	5/01/2045	1,779
1,000	Local Government Environmental Facilities & Community Dev. Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	10/01/2039	1,169
1,000	Local Government Environmental Facilities & Community Dev. Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	10/01/2043	1,156
1,000	Local Government Environmental Facilities & Community Dev. Auth. (INS - Assured Guaranty Municipal Corp.)	4.00	10/01/2046	1,060
1,000	Public Facilities Auth.	5.00	11/01/2045	1,095
1,000	Public Facilities Auth. (INS - Build America Mutual Assurance Co.)	5.25	6/01/2051	1,132
1,000	Public Facilities Auth.	5.00	7/01/2052	1,138
1,000	Public Facilities Auth.	4.00	1/01/2056	1,047
1,000	Tobacco Settlement Financing Corp.	5.25	5/15/2035	1,092
				<u>13,461</u>
	Maine (0.2%)			
1,000	Health & Higher Education Facilities Auth.	4.00	7/01/2046	1,025
	Massachusetts (2.0%)			
1,000	Dev. Finance Agency	5.00	6/01/2039	1,180
1,000	Dev. Finance Agency	5.00	4/15/2040	1,072
1,000	Dev. Finance Agency	5.25	11/15/2041	1,106
1,000	Dev. Finance Agency	5.75	7/15/2043	1,089

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
\$ 1,000	Dev. Finance Agency	5.00%	7/01/2044	\$ 1,105
1,600	Dev. Finance Agency	5.00	7/01/2044	1,863
1,000	Dev. Finance Agency	5.50	7/01/2044	1,102
1,000	Dev. Finance Agency	5.00	7/01/2046	1,130
1,000	Dev. Finance Agency ^(a)	5.00	10/01/2057	1,086
				<u>10,733</u>
	Michigan (1.7%)			
1,000	City of Wyandotte Electric System (INS - Build America Mutual Assurance Co.)	5.00	10/01/2044	1,126
1,750	Downtown Detroit MI Dev. Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	7/01/2043	1,929
1,000	Jackson Public Schools (NBGA - Michigan School Bond Qualification and Loan Program)	5.00	5/01/2042	1,183
1,000	Karegnondi Water Auth.	5.00	11/01/2041	1,152
1,250	Lincoln Consolidated School District (INS - Assured Guaranty Municipal Corp.)	5.00	5/01/2040	1,443
1,000	Livonia Public Schools School District (INS - Assured Guaranty Municipal Corp.)	5.00	5/01/2045	1,146
1,000	Wayne County Airport Auth.	5.00	12/01/2044	1,126
				<u>9,105</u>
	Minnesota (0.5%)			
1,000	City of St. Paul Housing & Redev. Auth. (PRE)	5.00	11/15/2044	1,206
1,000	City of St. Paul Housing & Redev. Auth.	5.00	11/15/2047	1,163
				<u>2,369</u>
	Missouri (0.5%)			
1,270	Health & Educational Facilities Auth.	5.00	8/01/2045	1,363
250	Health & Educational Facilities Auth.	4.00	2/15/2049	271
1,000	St. Louis Municipal Finance Corp. (INS - Assured Guaranty Municipal Corp.)	5.00	10/01/2038	1,171
				<u>2,805</u>
	Nebraska (0.2%)			
1,000	Douglas County Hospital Auth. No. 3	5.00	11/01/2048	1,111
	Nevada (0.9%)			
1,000	Carson City	5.00	9/01/2042	1,124
1,555	Las Vegas Convention & Visitors Auth.	4.00	7/01/2041	1,661
1,500	Las Vegas Redev. Agency	5.00	6/15/2045	1,684
				<u>4,469</u>
	New Jersey (2.8%)			
1,000	EDA	5.00	6/15/2029	1,071
1,000	EDA	4.00	7/01/2034	1,051

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
\$ 500	EDA (INS - Assured Guaranty Municipal Corp.)	5.00%	6/01/2037	\$ 582
2,000	EDA	5.00	6/15/2042	2,239
1,000	EDA	5.00	6/15/2043	1,138
1,000	EDA	5.00	6/15/2043	1,138
1,000	EDA	5.00	6/15/2047	1,122
1,000	Educational Facilities Auth.	5.00	9/01/2036	1,122
1,000	Health Care Facilities Financing Auth.	5.00	10/01/2037	1,136
1,250	South Jersey Transportation Auth. LLC	5.00	11/01/2039	1,389
500	Tobacco Settlement Financing Corp.	5.25	6/01/2046	571
1,000	Transportation Trust Fund Auth.	5.00	12/15/2035	1,159
1,000	Transportation Trust Fund Auth.	5.00	6/15/2044	1,085
				<u>14,803</u>
	New Mexico (0.2%)			
1,000	City of Farmington	5.90	6/01/2040	<u>1,038</u>
	New York (1.5%)			
2,000	City of New York Trust for Cultural Res.	5.00	12/01/2039	2,033
1,205	Dormitory Auth. (INS - AMBAC Assurance Corp.)	5.50	7/01/2040	1,687
630	Liberty Dev. Corp.	5.25	10/01/2035	830
1,500	Liberty Dev. Corp.	5.50	10/01/2037	2,048
1,000	MTA	5.00	11/15/2042	1,096
				<u>7,694</u>
	North Carolina (0.5%)			
1,000	Medical Care Commission	5.00	10/01/2035	1,127
1,500	Medical Care Commission	5.00	1/01/2049	1,673
				<u>2,800</u>
	North Dakota (0.2%)			
1,000	Ward County	5.00	6/01/2048	<u>1,111</u>
	Ohio (0.2%)			
750	Southeastern Ohio Port Auth.	5.00	12/01/2043	<u>781</u>
	Oklahoma (0.6%)			
1,315	Comanche County Hospital Auth.	5.00	7/01/2032	1,377
1,000	Dev. Finance Auth.	5.50	8/15/2057	1,169
750	Tulsa County Industrial Auth.	5.25	11/15/2037	855
				<u>3,401</u>
	Oregon (0.3%)			
1,250	Salem Hospital Facility Auth.	5.00	5/15/2043	<u>1,426</u>
	Pennsylvania (5.1%)			
1,185	Allegheny County Hospital Dev. Auth.	4.00	7/15/2039	1,297
1,000	Allegheny County Hospital Dev. Auth.	5.00	4/01/2047	1,159

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
\$ 1,000	Altoona Area School District (INS - Build America Mutual Assurance Co.)	5.00%	12/01/2048	\$ 1,130
350	Berks County IDA	5.00	5/15/2043	386
1,500	Berks County IDA	5.00	11/01/2050	1,717
1,125	Butler County Hospital Auth.	5.00	7/01/2039	1,260
1,000	Chester County IDA	5.00	10/01/2044	1,075
1,000	Commonwealth	5.00	7/01/2043	1,173
1,000	Commonwealth Financing Auth.	5.00	6/01/2035	1,195
1,625	Indiana County Hospital Auth.	6.00	6/01/2039	1,782
1,000	Lancaster County Hospital Auth.	5.00	11/01/2035	1,116
1,000	Montgomery County IDA	5.25	1/15/2045	1,104
1,000	Northampton County General Purpose Auth.	4.00	8/15/2040	1,053
1,000	Northampton County General Purpose Auth.	5.00	8/15/2043	1,167
1,000	Philadelphia School District	5.00	9/01/2037	1,150
1,000	Philadelphia School District	5.00	9/01/2038	1,179
1,500	Reading School District (INS - Assured Guaranty Municipal Corp.)	5.00	3/01/2038	1,737
1,000	Turnpike Commission	5.00	12/01/2039	1,182
1,000	Turnpike Commission	5.25	12/01/2044	1,125
1,000	Turnpike Commission	5.00	12/01/2046	1,126
1,000	Turnpike Commission	5.00	12/01/2047	1,173
1,500	Wilkes-Barre Area School District (INS - Build America Mutual Assurance Co.)	4.00	4/15/2049	1,604
				<u>26,890</u>
	Puerto Rico (0.2%)			
1,000	Commonwealth (INS - Assured Guaranty Municipal Corp.)	5.00	7/01/2035	1,043
	Rhode Island (0.2%)			
40	Housing & Mortgage Finance Corp.	6.85	10/01/2024	40
1,000	Turnpike & Bridge Auth.	5.00	10/01/2040	1,150
				<u>1,190</u>
	South Carolina (0.4%)			
2,000	Piedmont Municipal Power Agency (INS - Assured Guaranty Municipal Corp.)	5.75	1/01/2034	2,158
	Tennessee (0.9%)			
1,500	Greeneville Health & Educational Facilities Board	5.00	7/01/2037	1,758
1,000	Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board	5.00	10/01/2045	1,128
1,000	Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board	5.00	7/01/2046	1,140

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
\$ 500	Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board	5.00%	10/01/2048	\$ 564
				<u>4,590</u>
	Texas (8.2%)			
1,380	Austin Convention Enterprises, Inc.	5.00	1/01/2034	1,559
1,000	Bexar County Health Facilities Dev. Corp.	5.00	7/15/2037	1,122
1,000	Central Texas Regional Mobility Auth.	4.00	1/01/2041	1,055
1,000	Central Texas Regional Mobility Auth.	5.00	1/01/2045	1,122
1,000	Central Texas Turnpike System	5.00	8/15/2042	1,111
1,000	City of Arlington (INS - Assured Guaranty Municipal Corp.)	5.00	2/15/2048	1,173
1,000	City of Houston	5.00	9/01/2039	1,119
1,000	City of Houston	5.00	9/01/2040	1,118
1,000	City of Laredo Waterworks & Sewer System	4.00	3/01/2041	1,068
4,420	City of Lewisville (INS - ACA Financial Guaranty Corp.)	5.80	9/01/2025	4,658
1,000	Clifton Higher Education Finance Corp. (NBGA - Texas Permanent School Fund)	5.00	8/15/2039	1,122
1,000	Harris County Cultural Education Facilities Finance Corp.	5.00	6/01/2038	1,064
1,000	Harris County Hospital District	4.00	2/15/2042	1,047
1,000	Karnes County Hospital District	5.00	2/01/2044	1,063
1,000	Matagorda County Navigation District No. 1	4.00	6/01/2030	1,044
1,000	Mesquite Health Facility Dev. Corp.	5.00	2/15/2035	1,041
225	New Hope Cultural Education Facilities Finance Corp. (INS - Assured Guaranty Municipal Corp.)	5.00	7/01/2038	259
1,600	New Hope Cultural Education Facilities Finance Corp.	5.00	4/01/2047	1,702
1,000	New Hope Cultural Education Facilities Finance Corp.	5.00	7/01/2047	939
1,500	North Texas Tollway Auth.	5.00	1/01/2031	1,698
1,000	North Texas Tollway Auth.	5.00	1/01/2045	1,130
1,905	Port of Port Arthur Navigation District ^(b)	2.45	4/01/2040	1,905
800	Port of Port Arthur Navigation District ^(b)	2.45	4/01/2040	800
3,250	Port of Port Arthur Navigation District ^(b)	1.55	11/01/2040	3,250
2,520	Port of Port Arthur Navigation District ^(b)	1.55	11/01/2040	2,520
1,000	Princeton ISD (NBGA - Texas Permanent School Fund)	5.00	2/15/2043	1,197
1,000	Prosper ISD (NBGA - Texas Permanent School Fund)	5.00	2/15/2048	1,199
1,000	Tarrant County Cultural Education Facilities Finance Corp.	5.00	11/15/2036	1,001
1,000	Tarrant County Cultural Education Facilities Finance Corp.	5.00	11/15/2045	969
1,000	Tarrant County Cultural Education Facilities Finance Corp.	5.00	11/15/2046	1,125
1,500	Tarrant County Cultural Education Facilities Finance Corp.	5.00	7/01/2048	1,769
				<u>42,949</u>

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Virginia (0.2%)			
\$ 1,000	Alexandria IDA	5.00%	10/01/2050	\$ 1,099
	Washington (1.3%)			
3,700	Health Care Facilities Auth. (LIQ - J.P. Morgan Chase & Co.) ^{(a),(b)}	1.77	9/06/2020	3,700
1,000	Health Care Facilities Auth.	4.00	7/01/2042	1,071
1,000	Health Care Facilities Auth.	5.00	1/01/2047	1,144
1,000	Housing Finance Commission	5.00	1/01/2038	1,119
				<u>7,034</u>
	West Virginia (0.3%)			
1,500	West Virginia Hospital Finance Auth.	4.00	1/01/2038	1,578
	Wisconsin (1.4%)			
1,000	Health & Educational Facilities Auth. (PRE)	5.25	4/15/2035	1,142
1,000	Health & Educational Facilities Auth.	5.00	9/15/2045	1,046
1,000	Public Finance Auth.	5.00	7/01/2038	1,190
600	Public Finance Auth. (INS - Assured Guaranty Municipal Corp.)	5.00	7/01/2044	695
1,500	Public Finance Auth.	5.25	10/01/2048	1,705
1,500	Public Finance Auth.	4.00	10/01/2049	1,606
				<u>7,384</u>
	Wyoming (0.3%)			
1,250	Laramie County	5.00	5/01/2037	1,318
	Total Municipal Obligations (cost: \$266,703)			<u>277,739</u>

Number of Shares

EQUITY SECURITIES (45.6%)

BLUE CHIP STOCKS (45.6%)

Basic Materials (0.9%)

Chemicals (0.8%)

2,643	Air Products & Chemicals, Inc.	538
1,061	Albemarle Corp.	67
1,336	Celanese Corp.	127
2,306	CF Industries Holdings, Inc.	93
7,085	Dow, Inc. ⁽ⁱ⁾	331
23,594	DowDuPont, Inc.	720
1,398	Eastman Chemical Co.	91

Number of Shares	Security	Market Value (000)
1,542	FMC Corp.	\$ 113
1,011	International Flavors & Fragrances, Inc.	137
5,503	Linde plc	993
3,142	LyondellBasell Industries N.V. "A"	233
4,267	Mosaic Co.	92
2,395	PPG Industries, Inc.	251
964	Sherwin-Williams Co.	404
		<u>4,190</u>
	Forest Products & Paper (0.0%)	
4,728	International Paper Co.	196
	Iron/Steel (0.0%)	
2,663	Nucor Corp.	128
	Mining (0.1%)	
15,028	Freeport-McMoRan, Inc.	146
8,551	Newmont Goldcorp Corp.	283
		<u>429</u>
	Total Basic Materials	<u>4,943</u>
	Communications (7.0%)	
	Advertising (0.1%)	
3,603	Interpublic Group of Companies, Inc.	76
2,152	Omnicom Group, Inc.	167
		<u>243</u>
	Internet (4.3%)	
3,133	Alphabet, Inc. "A" ⁽⁰⁾	3,467
3,127	Alphabet, Inc. "C" ⁽⁰⁾	3,451
4,318	Amazon.com, Inc. ⁽⁰⁾	7,665
464	Booking Holdings, Inc. ⁽⁰⁾	768
10,566	eBay, Inc.	380
1,162	Expedia Group, Inc.	134
561	F5 Networks, Inc. ⁽⁰⁾	74
24,962	Facebook, Inc. "A" ⁽⁰⁾	4,430
4,583	Netflix, Inc. ⁽⁰⁾	1,573
7,459	Symantec Corp.	140
975	TripAdvisor, Inc. ⁽⁰⁾	41
7,622	Twitter, Inc. ⁽⁰⁾	278
1,070	VeriSign, Inc. ⁽⁰⁾	208
		<u>22,609</u>
	Media (1.1%)	
3,467	CBS Corp. "B"	167
2,057	Charter Communications, Inc. "A" ⁽⁰⁾	775

Number of Shares	Security	Market Value (000)
45,562	Comcast Corp. "A"	\$ 1,868
3,809	Discovery, Inc. "C" ⁽⁰⁾	98
1,428	Discovery, Inc. "A" ⁽⁰⁾	39
2,685	DISH Network Corp. "A" ⁽⁰⁾	97
3,518	Fox Corp. "A" ⁽⁰⁾	124
3,584	News Corp. "A"	41
3,276	Viacom, Inc. "B"	95
20,412	Walt Disney Co.	<u>2,695</u>
		<u>5,999</u>
	Telecommunications (1.5%)	
610	Arista Networks, Inc. ⁽⁰⁾	149
76,227	AT&T, Inc. ⁽⁹⁾	2,331
11,252	CenturyLink, Inc.	118
44,905	Cisco Systems, Inc.	2,336
9,344	Corning, Inc.	270
3,500	Juniper Networks, Inc.	86
1,577	Motorola Solutions, Inc.	236
44,175	Verizon Communications, Inc.	<u>2,401</u>
		<u>7,927</u>
	Total Communications	<u>36,778</u>
	Consumer, Cyclical (3.8%)	
	Airlines (0.2%)	
4,018	American Airlines Group, Inc.	110
7,308	Delta Air Lines, Inc.	376
5,908	Southwest Airlines Co.	281
2,350	United Continental Holdings, Inc. ⁽⁰⁾	<u>183</u>
		<u>950</u>
	Apparel (0.3%)	
1,806	Capri Holdings Ltd.	59
4,225	Hanesbrands, Inc.	63
542	Kontoor Brands, Inc. ⁽⁰⁾	16
14,032	NIKE, Inc. "B"	1,082
868	PVH Corp.	74
517	Ralph Lauren Corp.	54
2,313	Tapestry, Inc.	66
1,669	Under Armour, Inc. "A" ⁽⁰⁾	38
1,654	Under Armour, Inc. "C" ⁽⁰⁾	34
3,798	VF Corp.	<u>311</u>
		<u>1,797</u>

Number of Shares	Security	Market Value (000)
Auto Manufacturers (0.2%)		
40,021	Ford Motor Co.	\$ 381
15,325	General Motors Co.	511
3,714	PACCAR, Inc.	244
		<u>1,136</u>
Auto Parts & Equipment (0.1%)		
3,076	Aptiv plc	197
2,393	BorgWarner, Inc.	85
1	Delphi Technologies plc	—
		<u>282</u>
Distribution/Wholesale (0.1%)		
2,286	Copart, Inc. ⁽⁰⁾	163
5,382	Fastenal Co.	165
3,724	LKQ Corp. ⁽⁰⁾	96
478	WW Grainger, Inc.	125
		<u>549</u>
Home Builders (0.1%)		
3,224	DR Horton, Inc.	138
3,426	Lennar Corp. "A"	170
1	Lennar Corp. "B"	—
2,649	PulteGroup, Inc.	82
		<u>390</u>
Home Furnishings (0.0%)		
1,214	Leggett & Platt, Inc.	43
674	Whirlpool Corp.	78
		<u>121</u>
Housewares (0.0%)		
2,180	Newell Brands, Inc.	29
Leisure Time (0.1%)		
3,668	Carnival Corp.	188
1,559	Harley-Davidson, Inc.	51
2,244	Norwegian Cruise Line Holdings Ltd. ⁽⁰⁾	123
2,000	Royal Caribbean Cruises Ltd.	243
		<u>605</u>
Lodging (0.2%)		
3,115	Hilton Worldwide Holdings, Inc.	279
3,316	Marriott International, Inc. "A"	414
6,137	MGM Resorts International	152
962	Wynn Resorts Ltd.	103
		<u>948</u>

Number of Shares	Security	Market Value (000)
Retail (2.5%)		
687	Advance Auto Parts, Inc.	\$ 106
296	AutoZone, Inc. ⁽ⁱ⁾	304
2,415	Best Buy Co., Inc.	151
1,691	CarMax, Inc. ⁽ⁱ⁾	132
245	Chipotle Mexican Grill, Inc. ⁽ⁱ⁾	162
4,892	Costco Wholesale Corp.	1,172
1,204	Darden Restaurants, Inc.	140
2,615	Dollar General Corp.	333
2,788	Dollar Tree, Inc. ⁽ⁱ⁾	283
1,129	Foot Locker, Inc.	44
2,024	Gap, Inc.	38
1,641	Genuine Parts Co.	162
11,626	Home Depot, Inc.	2,207
1,649	Kohl's Corp.	81
2,674	L Brands, Inc.	60
8,086	Lowe's Cos, Inc.	754
3,071	Macy's, Inc.	63
8,008	McDonald's Corp.	1,588
1,027	Nordstrom, Inc.	32
788	O'Reilly Automotive, Inc. ⁽ⁱ⁾	293
3,683	Ross Stores, Inc.	342
12,390	Starbucks Corp.	942
5,924	Target Corp.	477
1,072	Tiffany & Co.	96
12,486	TJX Companies, Inc.	628
1,196	Tractor Supply Co.	121
551	Ulta Salon Cosmetics & Fragrance, Inc. ⁽ⁱ⁾	184
8,391	Walgreens Boots Alliance, Inc.	414
14,299	Walmart, Inc.	1,451
3,123	Yum! Brands, Inc.	320
		<u>13,080</u>
Textiles (0.0%)		
739	Mohawk Industries, Inc. ⁽ⁱ⁾	100
Toys/Games/Hobbies (0.0%)		
1,004	Hasbro, Inc.	95
2,396	Mattel, Inc. ⁽ⁱ⁾	24
		<u>119</u>
	Total Consumer, Cyclical	<u>20,106</u>

Number of Shares	Security	Market Value (000)
Consumer, Non-cyclical (10.1%)		
Agriculture (0.5%)		
19,313	Altria Group, Inc.	\$ 948
5,283	Archer-Daniels-Midland Co.	202
16,099	Philip Morris International, Inc.	1,242
		<u>2,392</u>
Beverages (0.8%)		
1,744	Brown-Forman Corp. "B"	87
38,140	Coca-Cola Co.	1,874
1,654	Constellation Brands, Inc. "A"	292
1,743	Molson Coors Brewing Co. "B"	96
4,648	Monster Beverage Corp. ⁽¹⁾	287
14,088	PepsiCo, Inc.	1,803
		<u>4,439</u>
Biotechnology (0.9%)		
2,201	Alexion Pharmaceuticals, Inc. ⁽¹⁾	250
6,365	Amgen, Inc.	1,061
2,058	Biogen, Inc. ⁽¹⁾	451
7,364	Celgene Corp. ⁽¹⁾	691
14,905	Gilead Sciences, Inc.	928
1,468	Illumina, Inc. ⁽¹⁾	451
1,447	Incyte Corp. ⁽¹⁾	114
620	Regeneron Pharmaceuticals, Inc. ⁽¹⁾	187
2,546	Vertex Pharmaceuticals, Inc. ⁽¹⁾	423
		<u>4,556</u>
Commercial Services (1.0%)		
4,365	Automatic Data Processing, Inc.	699
814	Cintas Corp.	181
2,532	Ecolab, Inc.	466
1,407	Equifax, Inc.	170
880	FleetCor Technologies, Inc. ⁽¹⁾	227
1,065	Gartner, Inc. ⁽¹⁾	161
1,852	Global Payments, Inc.	285
1,952	H&R Block, Inc.	51
3,349	IHS Markit Ltd. ⁽¹⁾	192
1,624	Moody's Corp.	297
4,277	Nielsen Holdings plc	97
11,657	PayPal Holdings, Inc. ⁽¹⁾	1,279
1,704	Quanta Services, Inc.	59
1,300	Robert Half International, Inc.	70
1,687	Rollins, Inc.	64

Number of Shares	Security	Market Value (000)
2,912	S&P Global, Inc.	\$ 623
1,923	Total System Services, Inc.	238
788	United Rentals, Inc. ^(f)	87
1,865	Verisk Analytics, Inc.	261
		<u>5,507</u>
	Cosmetics/Personal Care (0.7%)	
8,540	Colgate-Palmolive Co.	594
4,102	Coty, Inc. "A" ^(g)	51
2,575	Estee Lauder Companies, Inc. "A"	415
26,176	Procter & Gamble Co.	2,694
		<u>3,754</u>
	Food (0.6%)	
2,319	Campbell Soup Co.	84
5,746	Conagra Brands, Inc.	154
6,961	General Mills, Inc.	344
1,318	Hershey Co.	174
2,891	Hormel Foods Corp.	114
1,270	JM Smucker Co.	154
2,970	Kellogg Co.	156
7,359	Kraft Heinz Co.	204
9,599	Kroger Co.	219
1,462	Lamb Weston Holdings, Inc.	87
1,216	McCormick & Co., Inc.	190
16,937	Mondelez International, Inc. "A"	861
4,663	Sysco Corp.	321
3,456	Tyson Foods, Inc. "A"	262
		<u>3,324</u>
	Healthcare Products (1.8%)	
18,379	Abbott Laboratories ^(g)	1,399
431	ABIOMED, Inc. ^(f)	113
822	Align Technology, Inc. ^(f)	234
4,950	Baxter International, Inc.	364
2,570	Becton, Dickinson & Co.	600
16,157	Boston Scientific Corp. ^(f)	621
549	Cooper Companies, Inc.	163
6,575	Danaher Corp.	868
2,679	Dentsply Sirona, Inc.	144
2,050	Edwards Lifesciences Corp. ^(f)	350
1,445	Henry Schein, Inc. ^(f)	93
2,574	Hologic, Inc. ^(f)	113
862	IDEXX Laboratories, Inc. ^(f)	215
1,115	Intuitive Surgical, Inc. ^(f)	518

Number of Shares	Security	Market Value (000)
15,494	Medtronic plc	\$ 1,434
1,423	ResMed, Inc.	162
3,126	Stryker Corp.	573
536	Teleflex, Inc.	155
4,212	Thermo Fisher Scientific, Inc.	1,125
1,048	Varian Medical Systems, Inc. ⁽⁰⁾	132
2,069	Zimmer Biomet Holdings, Inc.	236
		<u>9,612</u>
	Healthcare-Services (0.9%)	
2,590	Anthem, Inc.	720
4,649	Centene Corp. ⁽⁰⁾	269
1,414	DaVita, Inc. ⁽⁰⁾	61
2,781	HCA Healthcare, Inc.	336
1,316	Humana, Inc.	322
1,614	IQVIA Holdings, Inc. ⁽⁰⁾	219
995	Laboratory Corp. of America Holdings ⁽⁰⁾	162
1,359	Quest Diagnostics, Inc.	130
10,041	UnitedHealth Group, Inc.	2,428
812	Universal Health Services, Inc. "B"	97
567	WellCare Health Plans, Inc. ⁽⁰⁾	157
		<u>4,901</u>
	Household Products/Wares (0.2%)	
906	Avery Dennison Corp.	94
2,460	Church & Dwight Co., Inc.	183
1,274	Clorox Co.	190
3,398	Kimberly-Clark Corp.	435
		<u>902</u>
	Pharmaceuticals (2.7%)	
15,090	AbbVie, Inc.	1,158
3,092	Allergan plc	377
1,410	AmerisourceBergen Corp.	110
18,063	Bristol-Myers Squibb Co.	819
2,310	Cardinal Health, Inc.	97
3,977	Cigna Corp. ⁽⁰⁾	589
12,203	CVS Health Corp.	639
9,133	Eli Lilly & Co.	1,059
27,402	Johnson & Johnson ^(S)	3,594
2,308	McKesson Corp.	282
27,009	Merck & Co., Inc.	2,139
4,722	Mylan N.V. ⁽⁰⁾	79
2,095	Nektar Therapeutics ⁽⁰⁾	66
1,463	Perrigo Co. plc	61

Number of Shares	Security	Market Value (000)
56,908	Pfizer, Inc.	\$ 2,363
5,626	Zoetis, Inc.	568
		<u>14,000</u>
	Total Consumer, Non-cyclical	<u>53,387</u>
	<u>Energy (2.2%)</u>	
	Oil & Gas (1.8%)	
5,912	Anadarko Petroleum Corp.	416
4,518	Apache Corp.	118
4,115	Cabot Oil & Gas Corp.	103
19,811	Chevron Corp.	2,255
1,200	Cimarex Energy Co.	69
1,929	Concho Resources, Inc.	189
11,082	ConocoPhillips	653
4,019	Devon Energy Corp.	101
1,807	Diamondback Energy, Inc.	177
6,370	EOG Resources, Inc.	522
46,039	Exxon Mobil Corp. ^(e)	3,258
1,218	Helmerich & Payne, Inc.	60
2,905	Hess Corp.	162
8,379	Marathon Oil Corp.	110
6,670	Marathon Petroleum Corp.	307
5,819	Noble Energy, Inc.	125
6,077	Occidental Petroleum Corp.	302
3,864	Phillips 66	312
1,672	Pioneer Natural Resources Co.	237
4,001	Valero Energy Corp.	282
		<u>9,758</u>
	Oil & Gas Services (0.2%)	
2,932	Baker Hughes a GE Co.	63
10,499	Halliburton Co.	224
4,614	National Oilwell Varco, Inc.	96
12,192	Schlumberger Ltd.	423
5,120	TechnipFMC plc	106
		<u>912</u>
	Pipelines (0.2%)	
20,653	Kinder Morgan, Inc.	412
4,096	ONEOK, Inc.	261
14,133	Williams Companies, Inc.	373
		<u>1,046</u>
	Total Energy	<u>11,716</u>

Number of Shares	Security	Market Value (000)
Financial (8.3%)		
Banks (2.9%)		
90,199	Bank of America Corp.	\$ 2,399
9,561	Bank of New York Mellon Corp.	408
7,586	BB&T Corp.	355
26,864	Citigroup, Inc.	1,670
4,616	Citizens Financial Group, Inc.	150
1,613	Comerica, Inc.	111
9,109	Fifth Third Bancorp	241
1,912	First Republic Bank	186
3,261	Goldman Sachs Group, Inc.	595
11,994	Huntington Bancshares, Inc.	152
35,496	J.P. Morgan Chase & Co.	3,761
10,027	KeyCorp.	160
1,384	M&T Bank Corp.	221
15,263	Morgan Stanley	621
2,365	Northern Trust Corp. ^(b)	202
4,630	PNC Financial Services Group, Inc.	589
10,886	Regions Financial Corp.	151
3,779	State Street Corp.	209
3,750	SunTrust Banks, Inc.	225
576	SVB Financial Group ^(f)	116
15,254	U.S. Bancorp.	766
42,844	Wells Fargo & Co. ^(g)	1,901
2,072	Zions Bancorp	89
		15,278
Diversified Financial Services (2.0%)		
617	Affiliated Managers Group, Inc.	52
6,948	American Express Co.	797
1,383	Ameriprise Financial, Inc.	191
1,439	BlackRock, Inc.	598
5,207	Capital One Financial Corp.	447
1,060	Cboe Global Markets, Inc.	115
12,413	Charles Schwab Corp.	517
4,006	CME Group, Inc.	770
3,369	Discover Financial Services	251
2,481	E*TRADE Financial Corp.	111
2,997	Franklin Resources, Inc.	95
5,711	Intercontinental Exchange, Inc.	470
4,817	Invesco Ltd.	94
1,542	Jefferies Financial Group, Inc.	27
9,019	Mastercard, Inc. "A"	2,268
1,159	Nasdaq, Inc.	105

Number of Shares	Security	Market Value (000)
1,452	Raymond James Financial, Inc.	\$ 120
6,818	Synchrony Financial	229
2,288	T. Rowe Price Group, Inc.	231
17,570	Visa, Inc. "A"	2,835
4,287	Western Union Co.	83
		<u>10,406</u>
	Insurance (2.0%)	
7,793	Aflac, Inc.	400
3,329	Allstate Corp.	318
10,289	American International Group, Inc.	525
2,360	Aon plc	425
2,040	Arthur J. Gallagher & Co.	172
20,009	Berkshire Hathaway, Inc. "B" ⁽⁰⁾	3,950
5,396	Chubb Ltd.	788
1,525	Cincinnati Financial Corp.	150
476	Everest Re Group Ltd.	118
4,006	Hartford Financial Services Group, Inc.	211
2,493	Lincoln National Corp.	148
3,175	Loews Corp.	163
6,078	Marsh & McLennan Companies, Inc.	581
11,557	MetLife, Inc.	534
2,507	Principal Financial Group, Inc.	129
5,810	Progressive Corp.	461
3,711	Prudential Financial, Inc.	343
995	Torchmark Corp.	85
2,645	Travelers Companies, Inc.	385
2,079	Unum Group	66
1,438	Willis Towers Watson plc	252
		<u>10,204</u>
	Real Estate (0.0%)	
3,167	CBRE Group, Inc. "A" ⁽⁰⁾	145
	REITs (1.4%)	
1,101	Alexandria Real Estate Equities, Inc.	161
4,297	American Tower Corp.	897
1,818	Apartment Investment & Management Co. "A"	91
1,564	AvalonBay Communities, Inc.	318
1,478	Boston Properties, Inc.	193
5,001	Crown Castle International Corp.	650
2,408	Digital Realty Trust, Inc.	283
3,869	Duke Realty Corp.	116
1,002	Equinix, Inc.	487
4,165	Equity Residential	319

Number of Shares	Security	Market Value (000)
612	Essex Property Trust, Inc.	\$ 179
1,147	Extra Space Storage, Inc.	123
663	Federal Realty Investment Trust	87
5,381	HCP, Inc.	171
6,924	Host Hotels & Resorts, Inc.	125
2,608	Iron Mountain, Inc.	80
4,841	Kimco Realty Corp.	84
1,273	Mid-America Apartment Communities, Inc.	145
6,287	Prologis, Inc.	463
1,497	Public Storage	356
3,181	Realty Income Corp.	223
1,543	Regency Centers Corp.	102
1,109	SBA Communications Corp. ⁽¹⁾	240
3,655	Simon Property Group, Inc.	592
887	SL Green Realty Corp.	76
2,624	UDR, Inc.	118
3,510	Ventas, Inc.	226
1,602	Vornado Realty Trust	106
3,751	Welltower, Inc.	305
6,727	Weyerhaeuser Co.	153
		<u>7,469</u>
	Savings & Loans (0.0%)	
4,406	People's United Financial, Inc.	68
	Total Financial	<u>43,570</u>
	Industrial (4.2%)	
	Aerospace/Defense (1.2%)	
4,490	Arconic, Inc.	98
5,311	Boeing Co.	1,814
3,206	General Dynamics Corp.	516
1,100	Harris Corp.	206
887	L3 Technologies, Inc.	215
2,443	Lockheed Martin Corp.	827
1,969	Northrop Grumman Corp.	597
2,842	Raytheon Co.	496
482	TransDigm Group, Inc. ⁽¹⁾	213
8,948	United Technologies Corp.	1,130
		<u>6,112</u>
	Building Materials (0.2%)	
1,691	Fortune Brands Home & Security, Inc.	81
10,506	Johnson Controls International plc	405
582	Martin Marietta Materials, Inc.	122

Number of Shares	Security	Market Value (000)
2,915	Masco Corp.	\$ 102
1,496	Vulcan Materials Co.	187
		<u>897</u>
	Electrical Components & Equipment (0.1%)	
2,658	AMETEK, Inc.	218
7,310	Emerson Electric Co.	440
		<u>658</u>
	Electronics (0.6%)	
3,184	Agilent Technologies, Inc.	214
880	Allegion plc	85
2,992	Amphenol Corp. "A"	260
1,385	FLIR Systems, Inc.	67
3,063	Fortive Corp.	233
1,028	Garmin Ltd.	79
7,399	Honeywell International, Inc.	1,216
1,866	Keysight Technologies, Inc. ⁽¹⁾	140
250	Mettler-Toledo International, Inc. ⁽¹⁾	181
1,114	PerkinElmer, Inc.	96
3,470	TE Connectivity Ltd.	292
742	Waters Corp. ⁽¹⁾	149
		<u>3,012</u>
	Engineering & Construction (0.0%)	
1,679	Fluor Corp.	47
1,348	Jacobs Engineering Group, Inc.	101
		<u>148</u>
	Environmental Control (0.1%)	
1,502	Pentair plc	53
2,497	Republic Services, Inc.	211
3,869	Waste Management, Inc.	423
		<u>687</u>
	Hand/Machine Tools (0.1%)	
528	Snap-on, Inc.	82
1,616	Stanley Black & Decker, Inc.	206
		<u>288</u>
	Machinery-Construction & Mining (0.1%)	
5,882	Caterpillar, Inc.	705
	Machinery-Diversified (0.3%)	
1,457	Cummins, Inc.	220
3,155	Deere & Co.	442
1,435	Dover Corp.	128

Number of Shares	Security	Market Value (000)
1,210	Flowserve Corp.	\$ 56
1,199	Rockwell Automation, Inc.	179
1,119	Roper Technologies, Inc.	385
1,654	Wabtec Corp.	103
1,676	Xylem, Inc.	124
		<u>1,637</u>
	Miscellaneous Manufacturers (0.6%)	
6,025	3M Co. ^(e)	962
1,344	AO Smith Corp.	54
4,316	Eaton Corp. plc	321
91,090	General Electric Co. ^(e)	860
3,048	Illinois Tool Works, Inc.	426
2,877	Ingersoll-Rand plc	340
1,448	Parker-Hannifin Corp.	221
2,441	Textron, Inc.	111
		<u>3,295</u>
	Packaging & Containers (0.1%)	
3,726	Ball Corp.	229
1,672	Sealed Air Corp.	70
3,021	WestRock Co.	98
		<u>397</u>
	Shipbuilding (0.0%)	
499	Huntington Ingalls Industries, Inc.	102
	Transportation (0.8%)	
1,279	CH Robinson Worldwide, Inc.	102
8,013	CSX Corp.	597
1,997	Expeditors International of Washington, Inc.	139
2,840	FedEx Corp.	438
714	JB Hunt Transport Services, Inc.	61
960	Kansas City Southern	109
2,789	Norfolk Southern Corp.	544
8,199	Union Pacific Corp.	1,367
6,350	United Parcel Service, Inc. "B"	590
		<u>3,947</u>
	Total Industrial	<u>21,885</u>
	Technology (7.5%)	
	Computers (2.3%)	
6,382	Accenture plc "A"	1,136
46,801	Apple, Inc. ^(e)	8,194
6,760	Cognizant Technology Solutions Corp. "A"	419

Number of Shares	Security	Market Value (000)
3,270	DXC Technology Co.	\$ 156
1,647	Fortinet, Inc. ⁽¹⁾	119
16,614	Hewlett Packard Enterprise Co.	228
15,968	HP, Inc.	298
9,521	International Business Machines Corp.	1,209
2,488	NetApp, Inc.	147
2,733	Seagate Technology plc	114
2,632	Western Digital Corp.	98
		<u>12,118</u>
	Office/Business Equipment (0.0%)	
1,978	Xerox Corp.	<u>60</u>
	Semiconductors (1.7%)	
9,567	Advanced Micro Devices, Inc. ⁽¹⁾	262
4,322	Analog Devices, Inc.	418
11,477	Applied Materials, Inc.	444
4,130	Broadcom, Inc.	1,039
45,533	Intel Corp.	2,005
419	IPG Photonics Corp. ⁽¹⁾	52
1,555	KLA-Tencor Corp.	160
1,595	Lam Research Corp.	278
2,767	Maxim Integrated Products, Inc.	146
2,357	Microchip Technology, Inc.	189
10,689	Micron Technology, Inc. ⁽¹⁾	349
6,341	NVIDIA Corp.	859
1,188	Qorvo, Inc. ⁽¹⁾	73
13,436	QUALCOMM, Inc.	898
1,701	Skyworks Solutions, Inc.	113
9,684	Texas Instruments, Inc.	1,010
2,527	Xilinx, Inc.	259
		<u>8,554</u>
	Software (3.5%)	
9,016	Activision Blizzard, Inc.	391
4,880	Adobe, Inc. ⁽¹⁾	1,322
1,627	Akamai Technologies, Inc. ⁽¹⁾	123
796	ANSYS, Inc. ⁽¹⁾	143
2,558	Autodesk, Inc. ⁽¹⁾	412
1,368	Broadridge Financial Solutions, Inc.	171
2,583	Cadence Design Systems, Inc. ⁽¹⁾	164
3,904	Cerner Corp. ⁽¹⁾	273
1,327	Citrix Systems, Inc.	125
2,669	Electronic Arts, Inc. ⁽¹⁾	248
3,275	Fidelity National Information Services, Inc.	394

Number of Shares	Security	Market Value (000)
3,938	Fiserv, Inc. ^(f)	\$ 338
2,547	Intuit, Inc.	624
769	Jack Henry & Associates, Inc.	101
80,282	Microsoft Corp. ^(g)	9,929
992	MSCI, Inc.	218
26,866	Oracle Corp.	1,359
3,191	Paychex, Inc.	274
1,728	Red Hat, Inc. ^(f)	318
8,519	salesforce.com, Inc. ^(f)	1,290
1,398	Synopsys, Inc. ^(f)	163
1,245	Take-Two Interactive Software, Inc. ^(f)	135
		<u>18,515</u>
	Total Technology	<u>39,247</u>
	Utilities (1.6%)	
	Electric (1.5%)	
6,122	AES Corp.	97
2,301	Alliant Energy Corp.	109
2,468	Ameren Corp.	181
4,911	American Electric Power Co., Inc.	423
4,683	CenterPoint Energy, Inc.	133
3,064	CMS Energy Corp.	172
3,864	Consolidated Edison, Inc.	333
8,668	Dominion Energy, Inc.	652
2,031	DTE Energy Co.	255
7,096	Duke Energy Corp.	608
3,254	Edison International	193
1,967	Entergy Corp.	191
3,068	Energy, Inc.	178
3,443	Eversource Energy	254
11,470	Exelon Corp.	551
5,569	FirstEnergy Corp.	230
4,644	NextEra Energy, Inc.	921
2,789	NRG Energy, Inc.	95
1,308	Pinnacle West Capital Corp.	123
8,675	PPL Corp.	258
4,781	Public Service Enterprise Group, Inc.	281
3,297	Sempra Energy	433
12,049	Southern Co.	645
2,943	WEC Energy Group, Inc.	237
5,211	Xcel Energy, Inc.	299
		<u>7,852</u>

Number of Shares	Security	Market Value (000)
Gas (0.1%)		
1,369	Atmos Energy Corp.	\$ 139
4,111	NiSource, Inc.	115
		<u>254</u>
Water (0.0%)		
1,992	American Water Works Co., Inc.	225
	Total Utilities	8,331
	Total Blue Chip Stocks (cost: \$126,182)	<u>239,963</u>
GOVERNMENT & U.S. TREASURY MONEY MARKET INSTRUMENTS (0.9%)		
GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (0.8%)		
4,370,267	State Street Institutional Treasury Money Market Fund Premier Class, 2.30% ^(a) (cost: \$4,370)	<u>4,370</u>

Principal Amount (000)		Coupon Rate	Maturity	
U.S. TREASURY SECURITIES (0.1%)				
Bills (0.1%)^(a)				
\$ 210	U.S. Treasury Bill ^(a) (cost: 210)	2.41%	7/18/2019	210
	Total Government & U.S. Treasury Money Market Instruments (cost: \$4,580)			<u>4,580</u>
	Total Investments (cost: \$397,465)			<u>\$522,282</u>

Number of Contracts	Description	Expiration Date	Notional Amount (000)	Contract Value (000)	Unrealized Appreciation/ (Depreciation) (000)
FUTURES (0.8%)					
LONG FUTURES					
Equity Contracts					
32	E-mini S&P 500	6/21/2019	USD 4,591	\$4,404	\$(187)
	Total Long Futures			<u>\$4,404</u>	<u>\$(187)</u>
	Total Futures			<u>\$4,404</u>	<u>\$(187)</u>

(\$ in 000s)	VALUATION HIERARCHY			
Assets	LEVEL 1	LEVEL 2	LEVEL 3	Total
Tax-Exempt Securities:				
Municipal Obligations	\$ –	\$277,739	\$–	\$277,739
Equity Securities:				
Blue Chip Stocks	239,963	–	–	239,963
Government & U.S. Treasury Money				
Market Instruments:				
Government & U.S. Treasury Money				
Market Funds	4,370	–	–	4,370
U.S. Treasury Securities	–	210	–	210
Total	\$244,333	\$277,949	\$–	\$522,282
Liabilities	LEVEL 1	LEVEL 2	LEVEL 3	Total
Futures ⁽¹⁾	\$ (187)	\$ –	\$–	\$ (187)
Total	\$ (187)	\$ –	\$–	\$ (187)

⁽¹⁾ Futures are valued at the unrealized appreciation/(depreciation) on the investment.

Refer to the Portfolio of Investments for additional industry, country, or geographic region classifications.

The Portfolio of Investments uses the Bloomberg Industry Classification System (BICS), which may differ from the compliance classification.

At May 31, 2019, the Fund did not have any transfers into/out of Level 3.

NOTES TO PORTFOLIO OF INVESTMENTS

May 31, 2019

■ GENERAL NOTES

Market values of securities are determined by procedures and practices discussed in Note 1A to the financial statements.

The Portfolio of Investments category percentages shown represent the percentages of the investments to net assets, and, in total, may not equal 100%. A category percentage of 0.0% represents less than 0.1% of net assets.

■ PORTFOLIO ABBREVIATIONS AND DESCRIPTIONS

CCD	Community College District
EDA	Economic Development Authority
HSD	High School District
IDA	Industrial Development Authority/Agency
ISD	Independent School District
MTA	Metropolitan Transportation Authority
PRE	Pre-refunded to a date prior to maturity
REITS	Real estate investment trusts - Dividend distributions from REITS may be recorded as income and later characterized by the REIT at the end of the fiscal year as capital gains or a return of capital. Thus, the Fund will estimate the components of distributions from these securities and revise when actual distributions are known.
Zero Coupon	Normally issued at a significant discount from face value and do not provide for periodic interest payments. Income is earned from the purchase date by accreting the purchase discount of the security to par over the life of the security.

Credit enhancements – Adds the financial strength of the provider of the enhancement to support the issuer’s ability to repay the principal and interest payments when due. The enhancement may be provided by a high-quality bank, insurance company or other corporation, or a collateral trust. The enhancements do not guarantee the market values of the securities.

INS Principal and interest payments are insured by the name listed. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that value may fluctuate for other reasons, and there is no assurance that the insurance company will meet its obligations.

LIQ Liquidity enhancement that may, under certain circumstances, provide for repayment of principal and interest upon demand from the name listed.

LOC Principal and interest payments are guaranteed by a bank letter of credit or other bank credit agreement.

NBGA Principal and interest payments or, under certain circumstances, underlying mortgages, are guaranteed by a nonbank guarantee agreement from the name listed.

■ SPECIFIC NOTES

- (a) Restricted security that is not registered under the Securities Act of 1933. A resale of this security in the United States may occur in an exempt transaction to a qualified institutional buyer as defined by Rule 144A, and as such has been deemed liquid by USAA Asset Management Company under liquidity guidelines approved by USAA Mutual Funds Trust’s Board of Trustees, unless otherwise noted as illiquid.
- (b) Variable-rate demand notes (VRDNs) – Provide the right to sell the security at face value on either that day or within the rate-reset period. VRDNs will normally trade as if the maturity is the earlier put date, even though stated maturity is longer. The interest rate is reset on the put date at a stipulated daily, weekly, monthly, quarterly,

or other specified time interval to reflect current market conditions. These securities do not indicate a reference rate and spread in their description.

- (c) Security deemed illiquid by USAA Asset Management Company, under liquidity guidelines approved by USAA Mutual Funds Trust's Board of Trustees.
- (d) Payment-in-kind (PIK) - security in which the issuer has or will have the option to make all or a portion of the interest or dividend payments in additional securities in lieu of cash.
- (e) Up to 2.05% of the coupon may be PIK.
- (f) Non-income-producing security.
- (g) The security, or a portion thereof, is segregated to cover the value of open futures contracts at May 31, 2019.
- (h) Northern Trust Corp. is the parent of Northern Trust Investments, Inc., which is the subadviser of the Fund.
- (i) Rate represents the money market fund annualized seven-day yield at May 31, 2019.
- (j) Rate represents an annualized yield at time of purchase, not coupon rate.
- (k) Securities with a value of \$210,000 are segregated as collateral for initial margin requirements on open futures contracts.

See accompanying notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES (IN THOUSANDS)

May 31, 2019

ASSETS

Investments in securities, at market value (cost of \$397,465)	\$522,282
Cash	669
Receivables:	
Capital shares sold	474
Dividends and interest	4,023
Total assets	<u>527,448</u>

LIABILITIES

Payables:	
Securities purchased	535
Capital shares redeemed	158
Variation margin on futures contracts	187
Accrued management fees	135
Accrued transfer agent's fees	18
Other accrued expenses and payables	95
Total liabilities	<u>1,128</u>
Net assets applicable to capital shares outstanding	<u>\$526,320</u>

NET ASSETS CONSIST OF:

Paid-in capital	\$403,710
Distributable earnings	<u>122,610</u>
Net assets applicable to capital shares outstanding	<u>\$526,320</u>
Capital shares outstanding, no par value	<u>26,077</u>
Net asset value, redemption price, and offering price per share	<u>\$ 20.18</u>

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

(IN THOUSANDS)

Year ended May 31, 2019

INVESTMENT INCOME

Dividends	\$ 4,887
Interest	<u>10,043</u>
Total income	<u>14,930</u>

EXPENSES

Management fees	1,431
Administration and servicing fees	737
Transfer agent's fees	348
Custody and accounting fees	162
Postage	26
Shareholder reporting fees	23
Trustees' fees	37
Registration fees	51
Professional fees	97
Other	<u>14</u>
Total expenses	<u>2,926</u>

NET INVESTMENT INCOME

12,004

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS

Net realized gain (loss) on:	
Investments	(3,127)
Futures transactions	81
Change in net unrealized appreciation/(depreciation) of:	
Investments	14,115
Futures contracts	<u>(194)</u>
Net realized and unrealized gain	<u>10,875</u>
Increase in net assets resulting from operations	<u>\$22,879</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS (IN THOUSANDS)

Years ended May 31,

	2019	2018
FROM OPERATIONS		
Net investment income	\$ 12,004	\$ 9,891
Net realized gain (loss) on investments	(3,127)	882
Net realized gain (loss) on futures transactions	81	(116)
Change in net unrealized appreciation/(depreciation) of:		
Investments	14,115	20,394
Futures contracts	(194)	—
Increase in net assets resulting from operations	<u>22,879</u>	<u>31,051</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM DISTRIBUTABLE EARNINGS		
	(12,847)	(9,560)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	135,329	102,700
Reinvested dividends	11,981	8,933
Cost of shares redeemed	(90,704)	(64,462)
Increase in net assets from capital share transactions	<u>56,606</u>	<u>47,171</u>
Net increase in net assets	66,638	68,662
NET ASSETS		
Beginning of year	459,682	391,020
End of year	<u>\$526,320</u>	<u>\$459,682</u>
CHANGE IN SHARES OUTSTANDING		
Shares sold	6,806	5,260
Shares issued for dividends reinvested	610	465
Shares redeemed	(4,593)	(3,312)
Increase in shares outstanding	<u>2,823</u>	<u>2,413</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

May 31, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USAA MUTUAL FUNDS TRUST (the Trust), registered under the Investment Company Act of 1940, as amended (the 1940 Act), is an open-end management investment company organized as a Delaware statutory trust consisting of 47 separate funds. The USAA Growth and Tax Strategy Fund (the Fund) qualifies as a registered investment company under Accounting Standards Codification Topic 946. The information presented in this annual report pertains only to the Fund, which is classified as diversified under the 1940 Act and is authorized to issue an unlimited number of shares. The Fund's investment objective is to seek a conservative balance for the investor between income, the majority of which is exempt from federal income tax, and the potential for long-term growth of capital to preserve purchasing power.

On November 6, 2018, United Services Automobile Association (USAA), the parent company of USAA Asset Management Company (AMCO or Manager), the investment adviser to the Fund, and USAA Transfer Agency Company, d/b/a USAA Shareholder Account Services (SAS), the transfer agent to the Fund, announced that AMCO and SAS would be acquired by Victory Holdings, a global investment management firm headquartered in Cleveland, Ohio (the Transaction), on July 1, 2019.

A special shareholder meeting was held on April 18, 2019, at which shareholders of the Fund approved a new investment advisory agreement between the Trust, on behalf of the Fund, and Victory Capital, an independent investment management company. In addition, shareholders of the Fund also elected the following two new directors to the Board of the Trust to serve upon the closing of the Transaction: (1) David C. Brown, to serve as an Interested Trustee; and (2) John C. Walters, to serve as an Independent Trustee. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

A. **Security valuation** – The Trust’s Board of Trustees (the Board) has established the Valuation and Liquidity Committee (the Committee), and subject to Board oversight, the Committee administers and oversees the Fund’s valuation policies and procedures, which are approved by the Board. The Fund utilizes independent pricing services, quotations from securities dealers, and a wide variety of sources and information to establish and adjust the fair value of securities as events occur and circumstances warrant.

The value of each security is determined (as of the close of trading on the New York Stock Exchange (NYSE) on each business day the NYSE is open) as set forth below:

1. Equity securities, including exchange-traded funds (ETFs), except as otherwise noted, traded primarily on a domestic securities exchange or the over-the-counter markets, are valued at the last sales price or official closing price on the exchange or primary market on which they trade. Securities traded primarily on foreign securities exchanges or markets are valued at the last quoted sale price, or the most recently determined official closing price calculated according to local market convention, available at the time the Fund is valued. If no last sale or official closing price is reported or available, the average of the bid and ask prices generally is used. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Certain preferred and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.
2. Investments in open-end investment companies, commingled, or other funds, other than ETFs, are valued at their net asset value (NAV) at the end of each business day and are categorized in Level 1 of the fair value hierarchy.
3. Short-term debt securities with original or remaining maturities of 60 days or less may be valued at amortized cost, provided that amortized cost represents the fair value of such securities.
4. Debt securities with maturities greater than 60 days are valued each business day by a pricing service (the Service) approved by the Board. The Service uses an evaluated mean between quoted bid and ask

prices or the last sales price to value a security when, in the Service's judgment, these prices are readily available and are representative of the security's market value. For many securities, such prices are not readily available. The Service generally prices those securities based on methods which include consideration of yields or prices of securities of comparable quality, coupon, maturity, and type; indications as to values from dealers in securities; and general market conditions. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

5. Repurchase agreements are valued at cost.
6. Futures are valued at the settlement price at the close of market on the principal exchange on which they are traded or, in the absence of any transactions that day, the settlement price on the prior trading date if it is within the spread between the closing bid and ask price closest to the last reported sale price.
7. Options are valued by a pricing service at the National Best Bid/Offer (NBBO) composite price, which is derived from the best available bid and ask price in all participating options exchanges determined to most closely reflect market value of the options at the time of computation of the Fund's NAV.
8. In the event that price quotations or valuations are not readily available, are not reflective of market value, or a significant event has been recognized in relation to a security or class of securities, the securities are valued in good faith by the Committee in accordance with valuation procedures approved by the Board. The effect of fair value pricing is that securities may not be priced on the basis of quotations from the primary market in which they are traded and the actual price realized from the sale of a security may differ materially from the fair value price. Valuing these securities at fair value is intended to cause the Fund's NAV to be more reliable than it otherwise would be.

Fair value methods used by the Manager include, but are not limited to, obtaining market quotations from secondary pricing services,

broker-dealers, other pricing services, or widely used quotation systems. General factors considered in determining the fair value of securities include fundamental analytical data, the nature and duration of any restrictions on disposition of the securities, evaluation of credit quality, and an evaluation of the forces that influenced the market in which the securities are purchased and sold.

- B. **Fair value measurements** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-level valuation hierarchy disclosed in the Portfolio of Investments is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical securities.

Level 2 – inputs to the valuation methodology are other significant observable inputs, including quoted prices for similar securities, inputs that are observable for the securities, either directly or indirectly, and market-corroborated inputs such as market indexes.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement, including the Manager's own assumptions in determining the fair value.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

- C. **Derivative instruments and hedging activities** – The Fund may buy, sell, and enter into certain types of derivatives, including, but not limited to, futures contracts, options, and options on futures contracts, under circumstances in which such instruments are expected by the portfolio manager to aid in achieving the Fund's investment objective. The Fund also may use derivatives in circumstances where the portfolio manager believes they offer an economical means of gaining exposure to a particular asset class or securities market or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market. With exchange-listed futures contracts and options, counterparty credit risk to the Fund is limited to the exchange's clearinghouse which, as

counterparty to all exchange-traded futures contracts and options, guarantees the transactions against default from the actual counterparty to the transaction. The Fund's derivative agreements held at May 31, 2019, did not include master netting provisions.

Futures contracts – The Fund is subject to equity price risk, interest rate risk, and foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund may use futures contracts to gain exposure to, or hedge against, changes in the value of equities, interest rates, or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. Upon entering into such contracts, the Fund is required to deposit with the broker in either cash or securities an initial margin in an amount equal to a certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Upon entering into such contracts, the Fund bears the risk of interest or exchange rates or securities prices moving unexpectedly in an unfavorable direction, in which case, the Fund may not achieve the anticipated benefits of the futures contracts.

Fair Values of Derivative Instruments as of May 31, 2019*
(in thousands)

Liability Derivatives					
Derivatives not accounted for as hedging instruments	Statement of Assets and Liabilities Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Growth and Tax Strategy Fund	Distributable earnings	\$–	\$(187)**	\$–	\$(187)

* For open derivative instruments as of May 31, 2019, see the Portfolio of Investments, which also is indicative of activity for the year ended May 31, 2019.

** Includes cumulative appreciation/(depreciation) of futures as reported on the Portfolio of Investments. Only the variation margin from the last business day of the reporting period is reported within the Statement of Assets and Liabilities.

The Effect of Derivative Instruments on the Statement of Operations for the year ended May 31, 2019 (in thousands)

Net Realized Gain (Loss)					
Derivatives not accounted for as hedging instruments	Statement of Operations Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Growth and Tax Strategy Fund	Net realized gain on Futures transactions	\$–	\$81	\$–	\$81
Net Change in Unrealized Appreciation (Depreciation)					
Derivatives not accounted for as hedging instruments	Statement of Operations Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Growth and Tax Strategy Fund	Change in net unrealized appreciation/ (depreciation) of Futures contracts	\$–	\$(194)	\$–	\$(194)

- D. **Investments in securities** – Securities transactions are accounted for as of the date the securities are purchased or sold (trade date). Gains or losses from sales of investment securities are computed on the identified cost basis. Dividend income, less foreign taxes, if any, is recorded on the ex-dividend date. If the ex-dividend date has passed, certain dividends from foreign securities are recorded upon notification. Interest income is recorded daily on the accrual basis. Premiums and discounts are amortized over the life of the respective securities, using the effective yield method for long-term securities and the straight-line method for short-term securities.
- E. **Federal taxes** – The Fund’s policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income and net capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required.

For the year ended May 31, 2019, the Fund did not incur any income tax, interest, or penalties, and has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions. On an ongoing basis, the Manager will monitor the Fund’s tax basis to determine if adjustments to this conclusion are necessary. The statute of limitations on

the Fund's tax return filings generally remain open for the three preceding fiscal reporting year ends and remain subject to examination by the Internal Revenue Service and state taxing authorities.

- F. **Securities purchased on a delayed-delivery or when-issued basis** – Delivery and payment for securities that have been purchased by the Fund on a delayed-delivery or when-issued basis can take place a month or more after the trade date. During the period prior to settlement, these securities do not earn interest, are subject to market fluctuation, and may increase or decrease in value prior to their delivery. The Fund maintains segregated assets with a market value equal to or greater than the amount of its purchase commitments. The purchase of securities on a delayed-delivery or when-issued basis may increase the volatility of the Fund's NAV to the extent that the Fund makes such purchases while remaining substantially fully invested.
- G. **Indemnifications** – Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties that provide general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred. However, the Trust expects the risk of loss to be remote.
- H. **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 may affect the reported amounts in the financial statements.

(2) LINE OF CREDIT

The Fund participates, along with other funds of the Trust and USAA ETF Trust (together, the Trusts), in a joint, short-term, revolving, committed loan agreement of \$500 million with USAA Capital Corporation (CAPCO), an affiliate of the Manager. The purpose of the agreement is to provide temporary or emergency cash needs, including redemption requests that might otherwise require the untimely disposition of securities. Subject to

availability (including usage of the facility by other funds of the Trusts), the Fund may borrow from CAPCO an amount up to 5% of the Fund's total assets at an interest rate based on the London Interbank Offered Rate (LIBOR), plus 100.0 basis points.

The Trusts are also assessed facility fees by CAPCO in the amount of 14.0 basis points of the amount of the committed loan agreement. Prior to September 30, 2018, the maximum annual facility fee was 13.0 basis points of the amount of the committed loan agreement. The facility fees are allocated among the funds of the Trusts based on their respective average daily net assets for the period.

The Trusts may request an optional increase of the committed loan agreement from \$500 million up to \$750 million. If the Trusts increase the committed loan agreement, the assessed facility fee on the amount of the additional commitment will be 15.0 basis points.

For the year ended May 31, 2019, the Fund paid CAPCO facility fees of \$4,000, which represents 0.6% of the total fees paid to CAPCO by the funds of the Trusts. The Fund had no borrowings under this agreement during the year ended May 31, 2019. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

(3) DISTRIBUTIONS

The character of any distributions made during the year from net investment income or net realized gains is determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. generally accepted accounting principles. Also, due to the timing of distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized gains were recorded by the Fund.

During the current fiscal year, permanent differences between book-basis and tax-basis accounting for non-REIT return of capital dividend, REIT return of capital dividend, REIT capital gain dividend, and additional adjustments resulted in reclassifications to the Statement of Assets and Liabilities to increase distributable earnings by less than \$500 and decrease paid in capital by less than \$500. These reclassifications had no effect on net assets.

The tax character of distributions paid during the years ended May 31, 2019, and 2018, was as follows:

	<u>2019</u>	<u>2018</u>
Ordinary income*	\$ 3,664,000	\$2,882,000
Tax-exempt income	8,201,000	6,678,000
Long-term realized capital gains	<u>982,000</u>	<u>—</u>
Total distributions paid	<u>\$12,847,000</u>	<u>\$9,560,000</u>

As of May 31, 2019, the components of net assets representing distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	\$ 1,361,000
Undistributed tax-exempt income	756,000
Accumulated capital and other losses	(4,217,000)
Unrealized appreciation of investments	124,841,000

*Includes short-term realized capital gains, if any, which are taxable as ordinary income.

The difference between book-basis and tax-basis unrealized appreciation of investments is attributable to the tax deferral of losses on wash sales, non-REIT return of capital dividend, and REIT return of capital dividend adjustments.

Distributions of net investment income are made quarterly. Distributions of realized gains from security transactions not offset by capital losses are made annually in the succeeding fiscal year or as otherwise required to avoid the payment of federal taxes.

At May 31, 2019, the Fund had no capital loss carryforwards, for federal income tax purposes. Net capital losses incurred after October 31, and within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. For the year ended May 31, 2019, the Fund deferred to June 1, 2019, post October capital losses of \$4,217,000.

Tax Basis of Investments – At May 31, 2019, the aggregate cost of investments for federal income tax purposes and net unrealized appreciation/(depreciation) on investments are disclosed below:

<u>Fund</u>	<u>Tax Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation/ (Depreciation)</u>
USAA Growth and Tax Strategy Fund	\$397,441,000	\$129,367,000	\$(4,526,000)	\$124,841,000

(4) INVESTMENT TRANSACTIONS

Cost of purchases and proceeds from sales/maturities of securities, excluding short-term securities, for the year ended May 31, 2019, were \$84,493,000 and \$33,934,000, respectively.

In accordance with affiliated transaction procedures approved by the Board, purchases and sales of security transactions were executed between the Fund and affiliated USAA Funds at the then-current market price with no brokerage commissions incurred. The affiliated transactions executed by the Fund, including short-term securities, during the year ended May 31, 2019 were as follows:

Purchases	Sales	Net Realized Gain (Loss)
\$9,875,000	\$17,210,000	\$-

(5) SECURITIES LENDING

The Fund, through a securities lending agreement with Citibank, N.A. (Citibank), may lend its securities to qualified financial institutions, such as certain broker-dealers, to earn additional income, net of income retained by Citibank. The borrowers are required to secure their loans continuously with collateral in an amount at least equal to 102% of the fair value of domestic securities and foreign government securities loaned and 105% of the fair value of foreign securities and all other securities loaned. Collateral may be cash, U.S. government securities, or other securities as permitted by SEC guidelines. Cash collateral may be invested in high-quality short-term investments. Collateral requirements are determined daily based on the value of the Fund's securities on loan as of the end of the prior business day. Loans are terminable upon demand and the borrower must return the loaned securities within the lesser of one standard settlement period or five business days. Risks relating to securities-lending transactions include that the borrower may not provide additional collateral when required or return the securities when due, and that the value of the short-term investments will be less than the amount of cash collateral required to be returned to the borrower. The Fund's agreement with Citibank does not include master netting provisions. Non-cash collateral received by the Fund may not be sold or re-pledged except to satisfy borrower default. Cash collateral is listed in

the Fund's Portfolio of Investments and Financial Statements while non-cash collateral is not included. At May 31, 2019, the Fund had no securities on loan.

(6) TRANSACTIONS WITH MANAGER

Management fees – The Manager provides investment management services to the Fund pursuant to an Advisory Agreement. Under this agreement, the Manager is responsible for managing the business and affairs of the Fund, and for directly managing the day-to-day investment of the Fund's assets, subject to the authority of and supervision by the Board. The Manager is authorized to select (with approval of the Board and without shareholder approval) one or more subadvisers to manage the day-to-day investment of all or a portion of the Fund's assets.

The Manager monitors each subadviser's performance through quantitative and qualitative analysis and periodically reports to the Board as to whether each subadviser's agreement should be renewed, terminated, or modified. The Manager is also responsible for determining the asset allocation for the subadviser(s). The allocation for each subadviser could range from 0% to 100% of the Fund's assets, and the Manager could change the allocations without shareholder approval.

The investment management fee for the Fund is comprised of a base fee and a performance adjustment. The Fund's base fee is accrued daily and paid monthly at an annualized rate of 0.30% of the Fund's average daily net assets.

The performance adjustment is calculated monthly by comparing the Fund's performance over the performance period to the Composite Index which is comprised of 51% of the Lipper General Municipal Bond Funds Index, which measures the total return performance of the largest funds tracked by Lipper that invest at least 65% of their assets in municipal debt issues in the top four credit categories, and 49% of the Lipper Large-Cap Core Funds Index, which measures the total return performance of the funds tracked by Lipper that by portfolio practice invest at least 75% of their equity assets in companies with market capitalizations of greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P 1500 Index.

The performance period for the Fund consists of the current month plus the previous 35 months. The following table is utilized to determine the extent of the performance adjustment:

Over/Under Performance Relative to Index (in basis points)¹	Annual Adjustment Rate (in basis points)¹
+/- 20 to 50	+/- 4
+/- 51 to 100	+/- 5
+/- 101 and greater	+/- 6

¹Based on the difference between average annual performance of the relevant share class of the Fund and its relevant Lipper index, rounded to the nearest basis point. Average daily net assets of the share class are calculated over a rolling 36-month period.

The annual performance adjustment rate is multiplied by the average daily net assets of the Fund over the entire performance period, which is then multiplied by a fraction, the numerator of which is the number of days in the month and the denominator of which is 365 (366 in leap years). The resulting amount is then added to (in the case of overperformance) or subtracted from (in the case of underperformance) the base fee.

Under the performance fee arrangement, the Fund will pay a positive performance fee adjustment for a performance period whenever the Fund outperforms the composite index over that period, even if the Fund had overall negative returns during the performance period.

For the year ended May 31, 2019, the Fund incurred management fees, paid or payable to the Manager, of \$1,431,000, which included a (0.01)% performance adjustment of \$(42,000). **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Subadvisory arrangement(s) – The Manager entered into an Investment Subadvisory Agreement with Northern Trust Investments, Inc. (NTI), under which NTI directs the investment and reinvestment of the portion of the Fund’s assets invested in blue chip stocks (as allocated from time to time by the Manager). This arrangement provides for monthly fees that are paid by the Manager. The Manager (not the Fund) pays NTI a subadvisory fee equal to the greater of a minimum annual fee of \$100,000 or a fee at an annual amount of 0.25% on the first \$40 million of assets and 0.10% on assets over \$40 million

of the portion of the Fund's average daily net assets that NTI manages. For the year ended May 31, 2019, the Manager incurred subadvisory fees with respect to the Fund, paid or payable to NTI, of \$296,000.

Administration and servicing fees – The Manager provides certain administration and servicing functions for the Fund. For such services, the Manager receives a fee accrued daily and paid monthly at an annualized rate of 0.15% of the Fund's average daily net assets. For the year ended May 31, 2019, the Fund incurred administration and servicing fees, paid or payable to the Manager, of \$737,000.

In addition to the services provided under its Administration and Servicing Agreement with the Fund, the Manager also provides certain compliance and legal services for the benefit of the Fund. The Board has approved the reimbursement of a portion of these expenses incurred by the Manager. For the year ended May 31, 2019, the Fund reimbursed the Manager \$3,000 for these compliance and legal services. These expenses are included in the professional fees on the Fund's Statement of Operations. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Transfer agent's fees – SAS, an affiliate of the Manager, provides transfer agent services to the Fund based on an annual charge of \$23 per shareholder account plus out-of-pocket expenses. SAS pays a portion of these fees to certain intermediaries for the administration and servicing of accounts that are held with such intermediaries. For the year ended May 31, 2019, the Fund incurred transfer agent's fees, paid or payable to SAS, of \$348,000. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Underwriting services – USAA Investment Management Company provides exclusive underwriting and distribution of the Fund's shares on a continuing best-efforts basis and receives no fee or other compensation for these services. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

(7) TRANSACTIONS WITH AFFILIATES

The Manager is indirectly wholly owned by USAA, a large, diversified financial services institution.

Certain trustees and officers of the Fund are also directors, officers, and/or employees of the Manager. None of the affiliated trustees or Fund officers received any compensation from the Fund. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

(8) UPCOMING REGULATORY MATTERS

In October 2016, the U.S. Securities and Exchange Commission (SEC) issued Final Rule Release No. 33-10233, *Investment Company Liquidity Risk Management Programs* (Liquidity Rule). The Liquidity Rule requires funds to establish a liquidity risk management program and enhances disclosures regarding funds' liquidity. The requirements to implement a liquidity risk management program and establish a 15% illiquid investment limit became effective December 1, 2018. However, in February 2018, the SEC issued Release No. IC-33010, *Investment Company Liquidity Risk Management Programs; Commission Guidance for In-Kind ETFs*, which delayed certain requirements related to liquidity classification, highly liquid investment minimums, and board approval of the liquidity risk management programs to June 1, 2019.

(9) RECENT ACCOUNTING PRONOUNCEMENTS

In August 2018, the SEC adopted amendments to Regulation S-X for investment companies governing the form and content of financial statements. The amendments to Regulation S-X took effect on November 5, 2018, and the financial statements have been modified accordingly, for the current and prior periods.

ASU 2018-13, Fair Value Measurement

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820). The amendments in the ASU impact disclosure requirements for fair value measurement. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and can include the entire standard or certain provisions that exclude or amend disclosures. Management has elected to early adopt ASU 2018-13 effective with the current reporting period. The adoption of ASU 2018-13 guidance is limited to changes in the

Fund's notes to financial statement disclosures regarding valuation method, fair value, and transfers between levels of the fair value hierarchy.

ASU 2017-08, Premium Amortization of Purchased Callable Debt Securities

In March 2017, the FASB issued ASU 2017-08, Premium Amortization of Purchased Callable Debt Securities. The amendments in the ASU shorten the premium amortization period on a purchased callable debt security from the security's contractual life to the earliest call date. ASU 2017-08 became effective for funds with fiscal years beginning after December 15, 2018. The Manager has determined the adoption of this standard has no significant impact on the financial statements and reporting disclosures of the Fund.

(10) SUBSEQUENT EVENT NOTE

As previously announced, and as discussed in Note 1 to the Financial Statements, effective July 1, 2019, AMCO, the prior investment adviser to the Fund, and SAS, the prior transfer agent to the Fund, were acquired by Victory Holdings. **Please see the supplement dated July 1, 2019 to the Fund's prospectus for additional important information.**

Effective July 1, 2019, Victory Capital is the new investment adviser and administrator to the USAA Mutual Funds; SAS was renamed Victory Capital Transfer Agency, Inc.; Victory Capital Advisers, Inc. is the new distributor to the USAA Mutual Funds; Citi Fund Services of Ohio, Inc. serves as sub-administrator and sub-fund accountant for the USAA Mutual Funds; and FIS Investor Services LLC serve as sub-transfer agent and dividend disbursing agent for the USAA Mutual Funds. Effective August 5, 2019, Citibank, N.A. is the new custodian for the USAA Mutual Funds.

Effective July 1, 2019, the Trust will rely on an exemptive order granted to Victory Capital and its affiliated funds by the SEC in March 2019 permitting the use of a "manager-of-managers" structure for certain funds. Prior to that date, the Trust relied on a similar exemptive order granted by the SEC to the Trust and its affiliated persons. Under a manager of managers structure, the investment adviser may select (with approval of the Board and without shareholder approval) one or more subadvisers to manage the day-to-day investment of a fund's assets.

Effective July 1, 2019, under the investment advisory agreement with Victory Capital, which took effect on July 1, 2019, no performance adjustments will be made for periods beginning July 1, 2019, through June 30, 2020, and only performance beginning as of July 1, 2020, and thereafter will be utilized in calculating performance adjustments through June 30, 2020.

Effective July 1, 2019, the line of credit (as discussed in the Notes to the Financial Statements in this annual report) among the Trust, with respect to its Funds, and CAPCO terminated; the Trust, with respect to its Funds, along with series of Victory Portfolios, Victory Portfolios II and Victory Variable Insurance Funds, entered into a 364 day committed credit facility and a 364 day uncommitted, demand credit facility with Citibank, N.A. (Citibank). Each such credit facility may be renewed if so agreed by the parties. Under the agreement with Citibank, the Funds may borrow up to \$600 million, of which \$300 million is committed and \$300 million is uncommitted. Of this amount, \$40 million of the line of credit is reserved for use by the Victory Floating Rate Fund (a series of Victory Portfolios), with that Fund paying the related commitment fees for that amount. The purpose of the agreement is to meet temporary or emergency cash needs, including redemption request that might otherwise require the untimely disposition of securities. Citibank receives an annual commitment fee of 0.15%. Each Fund pays a pro-rata portion of this commitment fee plus any interest on amounts borrowed.

Effective July 1, 2019, the Trust will rely on an exemptive order granted to Victory Capital and its affiliated funds by the SEC in March 2017 (the IFL Order), permitting the establishment and operation of an Interfund Lending Facility (the Facility). The Facility allows each Fund to directly lend and borrow money to or from certain other affiliated Funds relying upon the IFL Order at rates beneficial to both the borrowing and lending funds. Advances under the Facility are allowed for temporary or emergency purposes, including the meeting of redemption requests that are subject to each Fund's borrowing restrictions. The interfund loan rate is determined, as specified in the IFL Order, by averaging the current repurchase agreement rate and the current bank loan rate.

FINANCIAL HIGHLIGHTS

Per share operating performance for a share outstanding throughout each period is as follows:

	Year Ended May 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	\$ 19.77	\$ 18.76	\$ 17.79	\$ 17.48	\$ 16.86
Income from investment operations:					
Net investment income	.47	.44	.42	.43	.44
Net realized and unrealized gain	.47	1.01	.96	.35	.59
Total from investment operations	.94	1.45	1.38	.78	1.03
Less distributions from:					
Net investment income	(.48)	(.44)	(.41)	(.47)	(.41)
Realized capital gains	(.05)	—	—	—	—
Total distributions	(.53)	(.44)	(.41)	(.47)	(.41)
Net asset value at end of period	\$ 20.18	\$ 19.77	\$ 18.76	\$ 17.79	\$ 17.48
Total return (%)*	4.83	7.81	7.88	4.60	6.16
Net assets at end of period (000)	\$526,320	\$459,682	\$391,020	\$327,334	\$283,181
Ratios to average daily net assets:**					
Expenses (%) ^(a)	.60	.68	.84	.87	.85
Net investment income (%)	2.44	2.32	2.33	2.53	2.63
Portfolio turnover (%)	7	10	4	10	9

* Assumes reinvestment of all net investment income and realized capital gain distributions, if any, during the period. Includes adjustments in accordance with U.S. generally accepted accounting principles and could differ from the Lipper reported return. Total returns for periods of less than one year are not annualized.

** For the year ended May 31, 2019, average daily net assets were \$491,402,000.

(a) Does not include acquired fund fees, if any.

EXPENSE EXAMPLE

May 31, 2019 (unaudited)

EXAMPLE

As a shareholder of the Fund, you incur two types of costs: direct costs, such as wire fees, redemption fees, and low balance fees; and indirect costs, including management fees, transfer agency fees, and other Fund operating expenses. This example is intended to help you understand your indirect costs, also referred to as “ongoing costs” (in dollars), of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period of December 1, 2018, through May 31, 2019.

ACTUAL EXPENSES

The line labeled “actual” in the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested at the beginning of the period, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the “actual” line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The line labeled “hypothetical” in the table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account

balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any direct costs, such as wire fees, redemption fees, or low balance fees. Therefore, the line labeled “hypothetical” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these direct costs were included, your costs would have been higher.

	Beginning Account Value December 1, 2018	Ending Account Value May 31, 2019	Expenses Paid During Period* December 1, 2018 – May 31, 2019
Actual	\$1,000.00	\$1,036.60	\$2.94
Hypothetical (5% return before expenses)	1,000.00	1,022.04	2.92

*Expenses are equal to the Fund’s annualized expense ratio of 0.58%, which is net of any reimbursements and expenses paid indirectly, multiplied by the average account value over the period, multiplied by 182 days/365 days (to reflect the one-half-year period). The Fund’s actual ending account value is based on its actual total return of 3.66% for the six-month period of December 1, 2018, through May 31, 2019.

ADVISORY AGREEMENT(S)

(between the Trust and Victory Capital Management Inc.)

May 31, 2019

The following disclosure relates to the approval of the (i) new investment advisory agreement between the Trust and Victory Capital and (ii) new investment subadvisory agreements between certain subadvisers and Victory Capital, which became effective on July 1, 2019. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

At an in-person meeting held on January 15, 2019, the USAA Mutual Funds Trust's ("Trust") Board of Trustees ("Board"), including those Trustees who are not parties to any investment advisory or management agreement between USAA Asset Management Company ("AMCO") and the Trust ("Existing Management Agreements") or the new Investment Advisory Agreement between the Trust and Victory Capital Management Inc. ("Victory Capital") (the "New Advisory Agreement") or "interested persons" (as that term is defined in the Investment Company Act of 1940 Act, as amended ("1940 Act")) of such parties or the Trust (the "Independent Trustees"), considered and unanimously approved the New Advisory Agreement between the Trust, on behalf of each of its series (each a "Fund" and together the "Funds"), and Victory Capital, and, as applicable, new Investment Subadvisory Agreements between Victory Capital and each investment subadviser ("New Subadvisory Agreements," and together with the New Advisory Agreement, the "New Agreements"), as listed below. The Board also determined to recommend that shareholders of each Fund approve the New Advisory Agreement. Shareholder approval is not required for the New Subadvisory Agreements. The Independent Trustees reviewed the proposed approval of the New Agreements in private sessions with their independent legal counsel at which no representatives of Victory Capital or AMCO were present.

BACKGROUND FOR THE BOARD APPROVALS

At a telephonic meeting of the Board held on November 5, 2018, representatives of USAA and AMCO informed the Board that USAA's subsidiary, USAA Investment Corporation, would enter into a stock purchase agreement with Victory Capital Holdings, Inc. ("Victory Holdings") pursuant to which Victory Holdings would acquire all of the outstanding stock of AMCO and USAA Transfer Agency Company d/b/a USAA Shareholder Account Services ("USAA Transfer Agent") (the "Transaction"). The Independent Trustees were advised that the Transaction, if completed, would constitute an "assignment" (as that term is defined in Section 2(a)(4) of the 1940 Act) and result in the automatic termination of the Existing Management Agreements ("Change of Control Event"). The Independent Trustees also were advised that it was proposed that Victory Capital, a subsidiary of Victory Holdings, would serve as the investment adviser to each Fund after the closing of the Transaction ("Post-Transaction") and that the Board would be asked to consider approval of the terms and conditions of the New Advisory Agreement with Victory Capital and thereafter to submit the New Advisory Agreement to each Fund's shareholders for approval. Because the Change of Control Event also would result in the termination of each existing subadvisory agreement between AMCO and the subadvisers to the Funds ("Existing Subadvisory Agreements"), the Independent Trustees were advised that the Board would also be asked to approve the New Subadvisory Agreements.

In anticipation of the Transaction, the Trustees met at a series of subsequent in-person meetings on November 27-28, 2018, January 7-8, 2019, and January 14-15, 2019, which included meetings of the full Board and separate meetings of the Independent Trustees for the purposes of considering, among other things: whether it would be in the best interests of each Fund and its respective shareholders to approve the New Agreements; and the anticipated impacts of the Transaction on the Funds and their shareholders (each, a "Meeting"). During each of these Meetings, the Board sought additional and clarifying information as it deemed necessary or appropriate. In this connection, the Independent Trustees worked with their independent

legal counsel to prepare formal due diligence requests (the “Diligence Requests”) that were submitted to Victory Capital, Victory Capital Advisers, Inc. (“VCA”), and the subadvisers. The Diligence Requests sought information relevant to the Board’s consideration of the New Advisory Agreement, the New Subadvisory Agreements, distribution arrangements, and other anticipated impacts of the Transaction on the Funds and their shareholders. Victory Capital, VCA, and the subadvisers provided documents and information in response to the Diligence Requests (the “Response Materials”). Following their review of the Response Materials, the Independent Trustees submitted a supplemental due diligence request for additional and clarifying information (the “Supplemental Diligence Request”) to Victory Capital and VCA. Victory Capital and VCA provided further information in response to the Supplemental Diligence Request, which the Board reviewed. Senior management representatives of Victory Capital and/or AMCO participated in a portion of each Meeting and addressed various questions raised by the Board. Throughout the process, the Independent Trustees were assisted by their independent legal counsel and counsel to the Funds, who advised them on, among other things, their duties and obligations relating to their consideration of the New Agreements.

The Board’s evaluation of the New Agreements reflected the information provided specifically in connection with its review of the New Agreements, as well as, where relevant, information that was previously furnished to the Board in connection with the most recent renewal of the Existing Management Agreements and Existing Subadvisory Agreements at an in-person meeting of the Board on April 18, 2018 (the “2018 15(c) Meeting”) and at other subsequent Board meetings in 2018. The Board’s evaluation of the New Agreements also reflected the knowledge gained as Board members of the Funds with respect to services provided by AMCO, its affiliates, and each subadviser to the Funds.

The Board’s approvals and recommendations were based on its determination, within its business judgment, that it would be in the best interests of each Fund and its respective shareholders, for Victory Capital and, as applicable, the subadvisers, to provide investment advisory, investment subadvisory, and related services to the Funds, following the closing of the Transaction.

FACTORS CONSIDERED IN APPROVING THE NEW ADVISORY AGREEMENT

In connection with the Board's consideration of the New Advisory Agreement, Victory Capital and AMCO advised the Board about a variety of matters, including the following:

- The nature, extent, and quality of the services to be provided to the Funds by Victory Capital Post-Transaction are expected to be of at least the same level as the services currently provided to the Funds by AMCO.
- Victory Capital's stated commitment to maintaining and enhancing the USAA member/USAA Fund shareholder experience, including creating a dedicated USAA Fund sales and client service call center that will provide ongoing client service and advice to existing and new USAA members.
- Victory Capital proposes to: (1) replace the underlying indexes for the USAA Extended Market Index Fund and USAA S&P 500 Index Fund with indexes designed to provide shareholders with comparable exposure and investment outcomes; (2) change the USAA Extended Market Index Fund's and USAA S&P 500 Index Fund's investment objectives and strategies in light of the changes to their underlying indexes; and (3) change the name of the USAA S&P 500 Index Fund to the USAA 500 Index Fund.
- Victory Capital does not propose changes to the investment objective(s) of any other Funds. Although the investment processes used by Victory Capital's portfolio managers may differ from those used by AMCO's portfolio managers or, if applicable, any subadviser's portfolio managers, such differences are not currently expected to result in changes to the principal investment strategies or principal investment risks of the Funds.
- The New Advisory Agreement does not change any Fund's advisory fee rate or the computation method for calculating such fees (except that Victory Capital, subject to Board approval, may in the future use a single designated share class to calculate the performance adjustment).

For at least two years after the Transaction closes, Victory Capital has agreed to waive fees and/or reimburse expenses so that each Fund's annual expense ratio (excluding certain customary items) does not exceed the levels reflected in each Fund's most recent audited financial statements at the time the Transaction closes (or the levels of AMCO's then-current expense caps, if applicable), excluding the impact of any performance adjustment to the Fund's advisory fee.

- The portfolio managers at AMCO that manage the Fixed Income Funds¹ as well as the USAA's Global Multi-Asset team servicing the Cornerstone Funds², Target Retirement Funds³, Global Managed Volatility Fund, Managed Allocation Fund, and Target Managed Allocation Fund, are expected to continue to do so Post-Transaction as employees of Victory Capital, if they choose to become employees of Victory Capital. Post-Transaction, the investment teams for the Funds, other than the Fixed Income Funds, will be replaced or augmented.
- With the exception of the USAA S&P 500 Index Fund, USAA Extended Market Index Fund, and USAA Nasdaq-100 Index Fund, which will be advised by Victory Capital through its Victory Solutions platform, Victory Capital proposes that the same subadvisers be retained Post-Transaction, although Victory Capital may change the allocation to a particular subadviser Post-Transaction. No changes are expected to the portfolio managers of the subadvisers who will serve as subadvisers Post-Transaction.

¹The Fixed Income Funds include the following Funds: California Bond Fund, Government Securities Fund, High Income Fund, Income Fund, Intermediate-Term Bond Fund, Tax Exempt Intermediate-Term Fund, Tax Exempt Long-Term Fund, New York Bond Fund, Short-Term Bond Fund, Tax Exempt Short-Term Fund, Ultra Short-Term Bond Fund, Virginia Bond Fund, Money Market Fund, Tax Exempt Money Market Fund and Treasury Money Market Trust.

²The Cornerstone Funds include the following Funds: Cornerstone Aggressive Fund, Cornerstone Conservative Fund, Cornerstone Equity Fund, Cornerstone Moderate Fund, Cornerstone Moderately Aggressive Fund, and Cornerstone Moderately Conservative Fund.

³The Target Retirement Funds include the following Funds: Target Retirement 2020 Fund, Target Retirement 2030 Fund, Target Retirement 2040 Fund, Target Retirement 2050 Fund, Target Retirement 2060 Fund, and Target Retirement Income Fund.

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- VCA's distribution capabilities, including its significant network of intermediary relationships, which may provide additional opportunities for the Funds to grow assets and lower fees and expenses through increased economies of scale.
 - The experience of Victory Capital in acquiring and integrating investments in investment management companies and its plans to transition and integrate AMCO's and USAA Transfer Agent's businesses to Victory Capital. Victory Capital and USAA expect to enter into a transition services agreement under which USAA will continue to provide Victory Capital with certain services that are currently provided by USAA to AMCO and the USAA Transfer Agent for a specified period of time after the closing of the Transaction to assist Victory Capital in transitioning the USAA member distribution channel and member support services.
 - Pursuant to a transitional trademark license agreement with USAA, Victory Capital and the Funds will have a non-exclusive license, subject to certain restrictions and limitations, to continue using certain licensed marks including "USAA," "United Services Automobile Association," and the USAA Logo in connection with their asset management and transfer agency businesses for a period of three years following the closing of the Transaction, which agreement may thereafter be extended for an additional year.
 - The support expressed by the current senior management team at AMCO for the Transaction and AMCO's recommendation that the Board approve the New Agreements.
 - The commitments of Victory Capital and AMCO to bear all of the direct expenses of the Transaction, including all legal costs and costs associated with the proxy solicitation, regardless of whether the Transaction is consummated.

In addition to the matters noted above, in their deliberations regarding approval of the New Advisory Agreement, the Board considered the factors discussed below, among others.

The nature, extent, and quality of services expected to be provided by Victory

Capital – The Board considered information provided by Victory Capital regarding its investment philosophy, investment management capabilities, business and operating structure, scale of operations, leadership and reputation, distribution capabilities, and financial condition. The Board also considered the capabilities, resources, and personnel of Victory Capital, including senior and other personnel of AMCO who had been extended offers to join Victory Capital, in order to determine whether Victory Capital is capable of providing the same level of investment management services currently provided to each Fund, and also considered the transition and integration plans to move management of the Funds to Victory Capital. The Board recognized that the AMCO personnel who had been extended offers may not accept such offers and personnel changes may occur in the future in the ordinary course. The Board considered the resources and infrastructure that Victory Capital intends to devote to its compliance program to ensure compliance with applicable laws and regulations, as well as Victory Capital's commitment to those programs. The Board also considered the resources that Victory Capital has devoted to its risk management program and cybersecurity program. The Board also reviewed information provided by Victory Capital related to its business, legal, and regulatory affairs. This review considered the resources available to Victory Capital to provide the services specified under the New Advisory Agreement. The Board considered Victory Capital's financial condition, including the financing of the Transaction, and noted that Victory Capital is expected to be able to provide a high level of service to the Funds and continuously invest and re-invest in its business.

The Board considered that, while it was proposed that Victory Capital would become the investment adviser to the Funds, the same portfolio managers at AMCO that manage the Fixed Income Funds, as well as USAA's Global Multi-Asset team servicing the Cornerstone Funds, Target Retirement Funds (including Target Managed Allocation Fund), Global Managed Volatility Fund, and Managed Allocation Fund, are expected to continue to do so after the Transaction as employees of Victory Capital, if they choose to become employees of Victory Capital. The Board determined that it had considered the qualifications of the portfolio managers at AMCO and the subadvisers at its 2018 15(c) Meeting. The Board considered the professional experience,

education, affiliations and/or other credentials or qualifications of the anticipated portfolio managers at Victory Capital that would manage the Equity Funds⁴, Cornerstone Funds, and Target Retirement Funds. The Board noted that the Equity Funds or portions of Equity Funds currently managed by AMCO would be replaced with portfolio managers from Victory Capital.

The Board considered that certain Funds would continue to operate in a manager-of-managers structure Post-Transaction. The Board considered that Victory Capital's experience in allocating assets to, and overseeing the advisory services of, its investment franchises and the Victory Solutions platform, was similar to AMCO's role in allocating assets to and overseeing the advisory services provided by the subadvisers.

The Board considered that the terms and conditions of the New Advisory Agreement are substantially similar to the terms and conditions of the Existing Management Agreements. The Board also considered that the New Subadvisory Agreements are substantially similar to the terms and conditions of the Existing Subadvisory Agreements and that no changes were proposed to the allocation of responsibilities as between Victory Capital and any subadviser, except to the extent that under the New Subadvisory Agreements each subadviser would be responsible for voting proxies with respect to assets allocated to that subadviser, while AMCO currently votes all Fund proxies. The Board considered that Victory Capital also would provide certain administrative, fund accounting, and shareholder servicing services under a separate administration agreement with the Funds. In this connection, the Board considered information on Victory Capital's use of third-party service providers to provide certain sub-administration and sub-accounting services to the Funds.

After review of these and other considerations, the Board concluded that Victory Capital will be capable of providing investment advisory services of the same high quality as the investment advisory services provided to the Funds by AMCO, and that these services are appropriate in nature and extent in light of the Funds' operations and investor needs.

⁴The Equity Funds include the following Funds: Aggressive Growth Fund, Growth & Income Fund, Income Stock Fund, Global Equity Income Fund, and Precious Metals and Minerals Fund.

Performance of the Funds – With respect to the performance of the Funds, the Board considered its review at the 2018 15(c) Meeting of peer group and benchmark investment performance comparison data relating to each Fund and, if applicable, each subadviser’s performance record for similar accounts. The Board considered that information reviewed at the 2018 15(c) Meeting may be more relevant for those Funds that would retain their current portfolio managers or subadvisers. With respect to the Funds whose portfolio managers would be replaced, the Board considered the performance of funds sponsored and managed by Victory Capital (“Victory Funds”) with similar investment objectives and strategies managed by the portfolio managers who would manage the Funds. Based on information presented to the Board at the Meetings and its discussions with Victory Capital, the Board concluded that Victory Capital is capable of generating a level of long-term investment performance that is appropriate in light of each Fund’s investment objectives, strategies and restrictions.

Fees to be paid to Victory Capital and expenses of the Funds – The Board considered that it had reviewed each Fund’s existing advisory fee rate and computation method for calculating such fees at the 2018 15(c) Meeting. The Board considered that the New Advisory Agreement does not change any Fund’s advisory fee rate or the computation method for calculating such fees, except that Victory Capital, subject to Board approval, may in the future use a single designated share class to calculate the performance adjustment and apply the resulting performance adjustment across each other class of shares of the Fund. The Board considered that the use of a single designated class to calculate the performance adjustment for each other class of shares of the Fund could mean that shareholders of a class other than the class used to measure the performance adjustment may pay a performance adjustment that is higher or lower than if the adjustment were calculated on a class by class basis, primarily due to the impact of differences in the fees and expenses between share classes on performance. The Board considered that the New Advisory Agreement stipulates that the period for measuring performance for calculating a Fund’s performance adjustment begins on the date that Victory Capital begins managing the Fund; therefore, no performance adjustments will be made for the first twelve months of the New Advisory Agreement, consistent with applicable regulations. The Board also considered Victory Capital’s contractual commitment under the expense limitation

agreement (“ELA”) to waive fees and/or reimburse expenses for at least two years after the closing of the Transaction, so that each Fund’s annual expense ratio (excluding acquired fund fees and expenses, any performance adjustment to a Fund’s advisory fee, interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of such Fund’s business) does not exceed the levels reflected in each Fund’s most recent audited financial statements at the time the Transaction closes (or the levels of AMCO’s then-current expense caps, if applicable), excluding the impact of any performance adjustment to a Fund’s advisory fee. The Board considered that the ELA permits Victory Capital to recoup advisory fees waived and expenses reimbursed for up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limitation in effect at the time of: (1) the original waiver or expense reimbursement; or (2) recoupment. The Board also considered that Victory Capital and AMCO had represented to the Board that they will use their best efforts to ensure that they and their respective affiliates do not take any action that imposes an “unfair burden” on the Funds as a result of the Transaction or as a result of any express or implied terms, conditions or understandings applicable to the Change of Control Event, for so long as the requirements of Section 15(f) of the 1940 Act apply. The Board also considered a comparison of the proposed advisory fees to be paid by each Fund to the advisory fees paid by funds and other accounts managed by Victory Capital deemed to be comparable to the Fund in terms of investment objectives and strategies. The Board considered that, with few exceptions, mostly involving weighted average fees for separate accounts, the advisory fees to be paid by the Funds were lower than the fees paid by these other funds and accounts. The Board concluded that the retention of Victory Capital was unlikely to impose an unfair burden on the Funds because, after the Transaction, none of AMCO, Victory Capital, VCA, or any of their respective affiliates, would be entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of the Funds (other than ordinary fees for bona fide principal underwriting services), or (ii) from the Funds or their shareholders for other than bona fide investment advisory or other services. Based on its review, the Board determined, with respect to each Fund, that Victory Capital’s advisory fee is fair and reasonable.

The extent to which Victory Capital may realize economies of scale as the Funds grow larger and whether fee levels reflect these economies of scale for the benefit of Fund shareholders –

The Board considered potential or anticipated economies of scale in relation to the services Victory Capital would provide to each Fund. The Board considered that the New Advisory Agreement includes the same advisory fee breakpoints for the same Funds as the Existing Advisory Agreements. The Board also considered that Victory Capital has contractually agreed to cap the Funds' annual operating expense ratios, pursuant to the ELA, which will remain in effect for at least two years from the closing of the Transaction, and may be extended. The Board also considered Victory Capital's representation that the significant increase in its assets under management Post-Transaction may reasonably be expected to enable the new combined firm to reach greater economies of scale in a shorter time frame. The Board noted that it will have the opportunity to periodically re-examine whether a Fund or the Trust has achieved economies of scale, and the appropriateness of investment advisory and administrative fees payable to Victory Capital, in the future.

The profits to be realized by Victory Capital and its affiliates from their relationship with the Trust –

The Board considered the benefits Victory Capital and its affiliates may derive from their relationship with the Funds, including compensation to be paid to Victory Capital for the provision of certain administrative, fund accounting and shareholder services to the Funds and compensation to be paid to USAA Transfer Agent for the provision of transfer agency services to the Funds. The Board considered the significant investments Victory Capital expected to make to support and grow the USAA member channel and the costs to integrate the USAA Fund business into Victory Capital. The Board also considered Victory Capital's profitability report presented to the board of trustees of the Victory Funds in connection with their most recent 15(c) process. The Board considered Victory Capital's representation that the fully integrated USAA Fund business, including investments to support ongoing growth, was expected to have an overall marginally positive impact on Victory Capital's overall financial profitability. The Board noted the difficulty of accurately projecting profitability under the current circumstance and noted that it would have the opportunity to give further consideration to Victory Capital's profitability with respect to the Funds at the end of the initial two-year term of the New Advisory Agreement.

Fall-Out and other benefits to Victory Capital and its affiliates – The Board considered the possible fall-out benefits and other types of benefits that may accrue to Victory Capital and its affiliates. The Board noted that the Transaction provides Victory Capital and its affiliates the opportunity to deliver investment products and services to USAA’s direct member-based channel. The Board also considered that Victory Capital may derive reputational and other benefits from its ability to use “USAA” and related names in connection with operating and marketing the Funds. The Board considered that the Transaction, if completed, would significantly increase Victory Capital’s assets under management and expand Victory Capital’s investment capabilities. This increased size and diversification could facilitate Victory Capital’s continued investment in its business and products, which Victory Capital would be able to leverage across a broader base of assets. Victory Capital also would be able to use trading commission credits from the Funds’ transactions in securities to “purchase” third party research and execution services to support its investment process. Based on its review, the Board determined that any “fall-out” benefits and other types of benefits that may accrue to Victory Capital are fair and reasonable.

Conclusions – Based on the foregoing and other relevant considerations, at the Meeting of the Board held on January 15, 2019, the Board, including a majority of the Independent Trustees, acting within its business judgment, (1) concluded that the terms of the New Advisory Agreement are fair and reasonable and that approval of the New Advisory Agreement is in the best interests of each Fund and its respective shareholders, (2) voted to approve the New Advisory Agreement, and (3) voted to recommend approval of the New Advisory Agreement by shareholders of the Funds. The Board evaluated all information available to it on a Fund-by-Fund basis and its determinations were made separately in respect of each Fund. The Board noted some factors may have been more or less important with respect to any particular Fund and that no one factor was determinative of its decisions which, instead, were premised upon the totality of factors considered. In this connection, the Board also noted that different Board members likely placed emphasis on different factors in reaching their individual conclusions to vote in favor of the New Advisory Agreement and to recommend approval of the New Advisory Agreement by shareholders of the Funds.

FACTORS CONSIDERED IN APPROVING THE NEW SUBADVISORY AGREEMENTS

In approving the New Subadvisory Agreements with each of Barrow, Hanley, Mewhinney & Strauss, LLC, Brandes Investment Partners, L.P., ClariVest Asset Management LLC, Epoch Investment Partners, Inc., Granahan Investment Management, Inc., Lazard Asset Management LLC, Loomis, Sayles & Company LP, Massachusetts Financial Services Company, Northern Trust Investments, Inc., QS Investors, LLC, The Renaissance Group LLP and Wellington Management Company LLP (each, a “Subadviser” and together the “Subadvisers”) with respect to the applicable Funds, the Board considered various factors, among them: (i) the nature, extent, and quality of services to be provided to the applicable Funds by the Subadvisers; (ii) each Subadviser’s compensation and any other benefits derived from the subadvisory relationship; (iii) comparisons, to the extent applicable, of subadvisory fees and performance to comparable investment companies; and (iv) the terms of each New Subadvisory Agreement. The Board’s evaluation of the New Subadvisory Agreements reflected the information provided specifically in connection with its review of the New Subadvisory Agreements, as well as, where relevant, information that was previously furnished to the Board in connection with the most recent renewal of the Existing Subadvisory Agreements at the 2018 15(c) meeting and at other subsequent Board meetings in 2018. A summary of the Board’s analysis of these factors is set forth below. After full consideration of a variety of factors, the Board, including the Independent Trustees, voted to approve each New Subadvisory Agreement. In approving each New Subadvisory Agreement, the Board did not identify any single factor as controlling, and each Trustee may have attributed different weights to various factors. The Independent Trustees reviewed the proposed approval of the New Subadvisory Agreements in private sessions with their independent legal counsel at which no representatives of Victory Capital or AMCO were present.

The nature, extent, and quality of services expected to be provided by the Subadvisers – The Board considered information provided to them regarding the services to be provided by each Subadviser, including information

presented periodically throughout the previous year. The Board considered each Subadviser's level of knowledge and investment style. The Board reviewed the experience and credentials of the investment personnel who are responsible for managing the investment of portfolio securities with respect to each applicable Fund and each Subadviser's level of staffing. The Board also noted each Subadviser's brokerage practices. The Board also considered each Subadviser's regulatory and compliance history. The Board also took into account each Subadviser's risk management processes. The Board noted that AMCO's monitoring processes of each Subadviser include, and Victory Capital's expected monitoring processes of each Subadviser would include, among others: (i) regular telephonic meetings to discuss, among other matters, investment strategies and to review portfolio performance; (ii) monthly portfolio compliance checklists and quarterly compliance certifications to the Board; and (iii) due diligence visits to each Subadviser. The Board also considered that the terms and conditions of the New Subadvisory Agreements are substantially similar to the terms and conditions of the Existing Subadvisory Agreements.

Subadviser Compensation – The Board took into account the financial condition of each Subadviser. In considering the cost of services to be provided by each Subadviser and the profitability to that Subadviser of its relationship with the applicable Fund, the Board noted that the fees under the New Subadvisory Agreements will be paid by Victory Capital. The Board also relied on the ability of AMCO to negotiate each Existing Subadvisory Agreement and the fees thereunder at arm's length. The Board considered that the fee rate to be payable under each New Subadvisory Agreement were proposed to be identical to the fee rate currently payable under each corresponding Existing Subadvisory Agreement. For the above reasons, the Board determined that the expected profitability of each Subadviser from its relationship with the applicable Fund was not a material factor in its deliberations with respect to the consideration of the approval of each New Subadvisory Agreement. For similar reasons, the Board concluded that the potential for economies of scale in each Subadviser's management of the applicable Fund was not a material factor in considering each New Subadvisory Agreement, although the Board noted that certain New Subadvisory Agreements contain breakpoints in their fee schedules.

Subadvisory Fees and Fund Performance – The Board previously compared the subadvisory fees for each applicable Fund with the fees that each Subadviser charges comparable clients, as applicable. The Board considered that each applicable Fund will pay a management fee to Victory Capital and that, in turn, Victory Capital will pay a subadvisory fee to each Subadviser. At the 2018 15(c) meeting, the Board considered, among other data, each applicable Fund’s performance over shorter and longer term periods, as compared to each Fund’s respective peer group and noted that the Board reviews at its regularly scheduled meetings information about each Fund’s performance results. The Board considered Victory Capital’s capabilities with respect to monitoring the performance, investment style and risk-adjusted performance of each Subadviser. The Board also noted each Subadviser’s performance record for similar accounts, as applicable.

Conclusions – The Board reached the following conclusions regarding each New Subadvisory Agreement, among others: (i) each Subadviser is qualified to manage the applicable Fund’s assets in accordance with its investment objective and policies; (ii) each Subadviser maintains an appropriate compliance program; (iii) the performance of each applicable Fund is reasonable in relation to the performance of funds with similar investment objectives and to relevant indices in view of the Fund’s investment approach and Victory Capital is expected to appropriately monitor each Fund’s performance; and (iv) each Fund’s advisory expenses are reasonable in relation to those of similar funds and to the services to be provided by Victory Capital and each Subadviser. Based on its conclusions, the Board determined that the approval of each New Subadvisory Agreement with respect to each applicable Fund would be in the best interests of the Fund and its shareholders.

ADVISORY AGREEMENT(S)

(between the Trust and the Manager)

May 31, 2019

The following disclosure relates to the approval of the continuation of the (i) investment advisory agreement between the Trust and AMCO and (ii) investment subadvisory agreements between certain subadvisers and AMCO, which were effective until July 1, 2019. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

At an in-person meeting of the Board of Trustees (the Board) held on April 17, 2019, the Board, including the Trustees who are not “interested persons” (as that term is defined in the Investment Company Act of 1940, as amended) of the Trust (the Independent Trustees), approved for an annual period the continuance of the Advisory Agreement between the Trust and the Manager with respect to the Fund and the Subadvisory Agreement between the Manager and Northern Trust Investments, Inc. (the Subadviser) with respect to the Fund.¹

In advance of the meeting, the Trustees received and considered a variety of information relating to the Advisory Agreement and Subadvisory Agreement and the Manager and the Subadviser, and were given the opportunity to ask questions and request additional information from management. The information provided to the Board included, among other things: (i) a separate report prepared by an independent third party, which provided a statistical analysis comparing the Fund’s investment performance, expenses, and fees to comparable investment companies; (ii) information concerning the services rendered to the Fund, as well as information regarding the Manager’s revenues

¹At an in-person meeting held on January 15, 2019, the Board, including the Independent Trustees, approved a new investment advisory agreement between the Trust, on behalf of the Fund, and Victory Capital Management Inc. (“Victory Capital”). Upon the closing of the transaction, on behalf of the Fund, Victory Capital Holdings, Inc., the parent company of Victory Capital, the Advisory Agreement between the Trust and the Manager will terminate and the new investment advisory agreement between the Trust and Victory Capital will go into effect. The factors the Board considered in approving the new investment advisory agreement with Victory Capital are included in this annual report.

and costs of providing services to the Fund and compensation paid to affiliates of the Manager; and (iii) information about the Manager's and Subadviser's operations and personnel. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Advisory Agreement and the Subadvisory Agreement with management and with experienced independent legal counsel retained by the Independent Trustees (Independent Counsel) and received materials from such Independent Counsel discussing the legal standards for their consideration of the proposed continuation of the Advisory Agreement and the Subadvisory Agreement with respect to the Fund. The Independent Trustees also reviewed the proposed continuation of the Advisory Agreement and the Subadvisory Agreement with respect to the Fund in private sessions with Independent Counsel at which no representatives of management were present.

The Board considered the Advisory Agreement and the Subadvisory Agreement separately in the course of its review. In doing so, the Board noted the respective roles of the Manager and the Subadviser in providing services to the Fund.

At each regularly scheduled meeting of the Board and its committees, the Board receives and reviews, among other things, information concerning the Fund's performance and related services provided by the Manager and by the Subadviser. At the meeting at which the renewal of the Advisory Agreement and Subadvisory Agreement is considered, particular focus is given to information concerning Fund performance, fees and total expenses as compared to comparable investment companies, and the Manager's profitability with respect to the Fund. However, the Board noted that the evaluation process with respect to the Manager and the Subadviser is an ongoing one. In this regard, the Board's and its committees' consideration of the Advisory Agreement and Subadvisory Agreement included certain information previously received at such meetings.

ADVISORY AGREEMENT

After full consideration of a variety of factors, the Board, including the Independent Trustees, voted to approve the Advisory Agreement. In approving the Advisory Agreement, the Trustees did not identify any single factor as controlling, and each Trustee may have attributed different weights

to various factors. Throughout their deliberations, the Independent Trustees were represented and assisted by Independent Counsel.

Nature, Extent, and Quality of Services – In considering the nature, extent, and quality of the services provided by the Manager under the Advisory Agreement, the Board reviewed information provided by the Manager relating to its operations and personnel. The Board also took into account its knowledge of the Manager’s management and the quality of the performance of the Manager’s duties through Board meetings, discussions, and reports during the preceding year. The Board considered the fees paid to the Manager and the services provided to the Fund by the Manager under the Advisory Agreement, as well as other services provided by the Manager and its affiliates under other agreements, and the personnel who provide these services. In addition to the investment advisory services provided to the Fund, the Manager and its affiliates provide administrative services, shareholder services, oversight of Fund accounting, marketing services, assistance in meeting legal and regulatory requirements, and other services necessary for the operation of the Fund and the Trust. The Board also considered the significant risks assumed by the Manager in connection with the services provided to the Fund, including investment, operational, enterprise, litigation, regulatory and compliance risks.

The Board considered the Manager’s management style and the performance of the Manager’s duties under the Advisory Agreement. The Board considered the level and depth of experience of the Manager, including the professional experience and qualifications of its senior and investment personnel, as well as current staffing levels. The Board considered the Manager’s process for monitoring the performance of the Subadviser and its timeliness in responding to performance issues. The allocation of the Fund’s brokerage, including the Manager’s process for monitoring “best execution,” also was considered. The Manager’s role in coordinating the activities of the Fund’s other service providers also was considered. The Board also considered the Manager’s risk management processes. The Board considered the Manager’s financial condition and that it had the financial wherewithal to continue to provide the same scope and high quality of services under the Advisory Agreement. In reviewing the Advisory Agreement, the Board

focused on the experience, resources, and strengths of the Manager and its affiliates in managing the Fund, as well as the other funds in the Trust.

The Board also reviewed the compliance and administrative services provided to the Fund by the Manager and its affiliates, including oversight of the Fund's day-to-day operations and oversight of Fund accounting. The Trustees, guided also by information obtained from their experiences as trustees of the Trust, also focused on the quality of the Manager's compliance and administrative staff.

Expenses and Performance – In connection with its consideration of the Advisory Agreement, the Board evaluated the Fund's advisory fees and total expense ratio as compared to other open-end investment companies deemed to be comparable to the Fund as determined by the independent third party in its report. The Fund's expenses were compared to (i) a group of investment companies chosen by the independent third party to be comparable to the Fund based upon certain factors, including fund type, comparability of investment objective and classification, sales load type (in this case, retail investment companies with no sales loads), asset size, and expense components (the "expense group") and (ii) a larger group of investment companies that includes all no-load retail open-end investment companies with the same investment classification/objective as the Fund regardless of asset size, excluding outliers (the "expense universe"). Among other data, the Board noted that the Fund's management fee rate – which includes advisory and administrative services and the effects of any performance fee adjustment – was below the median of its expense group and its expense universe. The data indicated that the Fund's total expenses were below the median of its expense group and its expense universe. The Board also noted that the Fund's management fee was reduced effective October 1, 2017. The Board took into account the various services provided to the Fund by the Manager and its affiliates, including the high quality of services received by the Fund from the Manager. The Board also noted the level and method of computing the Fund's management fee, including any performance adjustment to such fee. The Board also took into account that the subadvisory fees under the Subadvisory Agreement are paid by the Manager. The Board also considered and discussed information about the Subadviser's fees, including the amount of management fees retained by the Manager after payment of the subadvisory fee.

In considering the Fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Trustees also reviewed various comparative data provided to them in connection with their consideration of the renewal of the Advisory Agreement, including, among other information, a comparison of the Fund's average annual total return with its Lipper index and with that of other mutual funds deemed to be in its peer group by the independent third party in its report (the "performance universe"). The Fund's performance universe consisted of the Fund and all retail and institutional open-end investment companies with the same classification/objective as the Fund regardless of asset size or primary channel of distribution. This comparison indicated that, among other data, the Fund's performance was above the average of its performance universe and its Lipper index for the one-, three-, five-, and ten-year periods ended December 31, 2018. The Board also noted that the Fund's percentile performance ranking was in the top 5% of its performance universe for the one- and five-year periods ended December 31, 2018, and was in the top 20% of its performance universe for the three- and ten-year periods ended December 31, 2018.

Compensation and Profitability – The Board took into consideration the level and method of computing the Fund's management fee. The information considered by the Board included operating profit margin information for the Manager's business as a whole. The Board also received and considered profitability information related to the management revenues from the Fund. This information included a review of the methodology used in the allocation of certain costs to the Fund. In considering the profitability data with respect to the Fund, the Trustees noted that the Manager pays the Fund's subadvisory fees. The Trustees reviewed the profitability of the Manager's relationship with the Fund before tax expenses. The Board was also provided with an Investment Management Profitability Analysis prepared by an independent information service. In reviewing the overall profitability of the management fee to the Manager, the Board also considered the fact that affiliates provide shareholder servicing and administrative services to the Fund for which they receive compensation. The Board also considered the possible direct and indirect benefits to the Manager from its relationship with the Trust, including that the Manager

may derive reputational and other benefits from its association with the Fund. The Trustees recognized that the Manager should be entitled to earn a reasonable level of profits in exchange for the level of services it provides to the Fund and the entrepreneurial risk that it assumes as Manager.

Economies of Scale – The Board considered whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in any economies of scale. The Board took into account management’s discussions of the current advisory fee structure. The Board also considered the fact that the Manager pays the Fund’s subadvisory fee. The Board also considered the effect of the Fund’s growth and size on its performance and fees, noting that if the Fund’s assets increase over time, the Fund may realize other economies of scale if assets increase proportionally more than some expenses.

The Board determined that the current investment management fee structure was reasonable.

Conclusions – The Board reached the following conclusions regarding the Fund’s Advisory Agreement with the Manager, among others: (i) the Manager has demonstrated that it possesses the capability and resources to perform the duties required of it under the Advisory Agreement; (ii) the Manager maintains an appropriate compliance program; (iii) the performance of the Fund is reasonable in relation to the performance of funds with a similar investment strategy and to relevant indices; (iv) the Fund’s advisory expenses are reasonable in relation to those of similar funds and to the services to be provided by the Manager; and (v) the Manager and its affiliates’ level of profitability from their relationship with the Fund is reasonable in light of the nature and high quality of services provided by the Manager and the type of fund. Based on its conclusions, the Board determined that continuation of the Advisory Agreement would be in the best interests of the Fund and its shareholders.

SUBADVISORY AGREEMENT

In approving the Subadvisory Agreement with respect to the Fund, the Board considered various factors, among them: (i) the nature, extent, and quality of services provided to the Fund by the Subadviser, including the

personnel providing services; (ii) the Subadviser's compensation and any other benefits derived from the subadvisory relationship; (iii) comparisons, to the extent applicable, of subadvisory fees and performance to comparable investment companies; and (iv) the terms of the Subadvisory Agreement. The Board's analysis of these factors is set forth below. After full consideration of a variety of factors, the Board, including the Independent Trustees, voted to approve the Subadvisory Agreement. In approving the Subadvisory Agreement, the Trustees did not identify any single factor as controlling, and each Trustee may have attributed different weights to various factors. Throughout their deliberations, the Independent Trustees were represented and assisted by Independent Counsel.

Nature, Extent, and Quality of Services Provided; Investment Personnel – The Trustees considered information provided to them regarding the services provided by the Subadviser, including information presented periodically throughout the previous year. The Board considered the Subadviser's level of knowledge and investment style. The Board reviewed the experience and credentials of the investment personnel who are responsible for managing the investment of portfolio securities with respect to the Fund and the Subadviser's level of staffing. The Trustees also noted the Subadviser's brokerage practices. The Board also considered the Subadviser's regulatory and compliance history. The Board also took into account the Subadviser's risk management processes. The Board noted that the Manager's monitoring processes of the Subadviser include, among others: (i) regular telephonic meetings to discuss, among other matters, investment strategies and to review portfolio performance; (ii) monthly portfolio compliance checklists and quarterly compliance certifications to the Board; and (iii) due diligence visits to the Subadviser.

Subadviser Compensation – The Board also took into consideration the financial condition of the Subadviser. In considering the cost of services to be provided by the Subadviser and the profitability to the Subadviser of its relationship with the Fund, the Trustees noted that the fees under the Subadvisory Agreement were paid by the Manager. The Trustees also relied on the ability of the Manager to negotiate the Subadvisory Agreement and the fees thereunder at arm's length. For the above reasons, the Board

determined that the profitability of the Subadviser from its relationship with the Fund was not a material factor in its deliberations with respect to the consideration of the approval of the Subadvisory Agreement. For similar reasons, the Board concluded that the potential for economies of scale in the Subadviser's management of the Fund was not a material factor in considering the Subadvisory Agreement, although the Board noted that the Subadvisory Agreement contains breakpoints in its fee schedule.

Subadvisory Fees and Fund Performance – The Board compared the subadvisory fees for the Fund with fees that the Subadviser charges to comparable clients, as applicable. The Board considered that the Fund pays a management fee to the Manager and that, in turn, the Manager pays a subadvisory fee to the Subadviser. As noted above, the Board considered, among other data, the Fund's performance during the one-, three-, five-, and ten-year periods ended December 31, 2018, as compared to the Fund's peer group and noted that the Board reviews at its regularly scheduled meetings information about the Fund's performance results. The Board also considered the performance of the Subadviser. The Board noted the Manager's experience and resources in monitoring the performance, investment style, and risk-adjusted performance of the Subadviser. The Board was mindful of the Manager's focus on the Subadviser's performance.

Conclusions – The Board reached the following conclusions regarding the Subadvisory Agreement, among others: (i) the Subadviser is qualified to manage the Fund's assets in accordance with its investment objectives and policies; (ii) the Subadviser maintains an appropriate compliance program; (iii) the performance of the Fund is reasonable in relation to the performance of funds with a similar investment strategy and to relevant indices; and (iv) the Fund's advisory expenses are reasonable in relation to those of similar funds and to the services to be provided by the Manager and the Subadviser. Based on its conclusions, the Board determined that approval of the Subadvisory Agreement with respect to the Fund would be in the best interests of the Fund and its shareholders.

TRUSTEES' AND OFFICERS' INFORMATION

TRUSTEES AND OFFICERS OF THE TRUST

As of July 1, 2019, the Board of Trustees (the Board) of the Trust consists of ten Trustees. These Trustees and the Trust's Officers supervise the business affairs of the USAA family of funds. The Board is responsible for the general oversight of the funds' business and for assuring that the funds are managed in the best interests of each fund's respective shareholders. The Board periodically reviews the funds' investment performance as well as the quality of other services provided to the funds and their shareholders by each of the fund's service providers, including the adviser and its affiliates. Pursuant to a policy adopted by the Board, the term of office for each Trustee shall be until the Trustee reaches age 75. The Board may change or grant exceptions from this policy at any time without shareholder approval. A Trustee may resign or be removed by a vote of two-thirds of the Trustees before the removal or by the holders of two-thirds of the outstanding shares of the Trust at any time. Vacancies on the Board can be filled by the action of a majority of the Trustees, provided that after filling such vacancy at least two-thirds of the Trustees have been elected by the shareholders.

Set forth below are the Trustees and Officers of the Trust, their respective offices and principal occupations during the last five years, length of time served, and information relating to any other directorships held. As of July 1, 2019, each serves on the Board of the USAA family of funds consisting of one registered investment company, which offers 47 individual funds. Unless otherwise indicated, the business address for each is P.O. Box 659430, San Antonio, TX 78265-9430.

If you would like more information about the funds' Trustees, you may call (800) 235-8396 to request a free copy of the funds' Statement of Additional Information (SAI).

In connection with the Transaction, the Board of the Trust nominated, and shareholders of each USAA mutual fund approved, two new Trustees to serve on the Trust's Board, effective upon the closing of the Transaction. Effective July 1, 2019, David C. Brown serves as an Interested Trustee and John C. Walters serves as an Independent Trustee. Information about the current Trustees of the Trust is provided below.

INTERESTED TRUSTEES

Daniel S. McNamara^{1, 2, 4, 6,†}

Trustee and Chair of the Board of Trustees

Born: June 1966

Year of Election or Appointment: 2012

Trustee, President, and Vice Chairman, USAA ETF Trust (06/17–06/19); President of Financial Advice & Solutions Group (FASG), USAA (02/13–present); Director of USAA Asset Management Company (AMCO), (08/11–present); Director of USAA Investment Management Company (IMCO) (09/09–present); President, IMCO (09/09–04/14); President and Director of USAA Shareholder Account Services (SAS) (10/09–present); Senior Vice President of USAA Financial Planning Services Insurance Agency, Inc. (FPS) (04/11–present); Director of FPS (12/13–present); President and Director of USAA Investment Corporation (ICORP) (03/10–present); Director of USAA Financial Advisors, Inc. (FAI) (12/13–present). Mr. McNamara brings to the Board extensive experience in the financial services industry, including experience as an officer of the Trust.

David C. Brown^{2, 4, 6, 10}

Trustee

Born: May 1972

Year of Election or Appointment: 2019

Chairman and Chief Executive Officer (2013–present), Co-Chief Executive Officer, (2011–2013), Victory Capital Management Inc.; Chairman and Chief Executive Officer (2013–present), Victory Capital Holdings, Inc. Mr. Brown brings to the Board extensive business, finance and leadership skills gained

and developed through years of experience in the financial services industry, including his tenure overseeing the strategic direction as CEO of Victory Capital. These skills, combined with Mr. Brown's extensive knowledge of the financial services industry and demonstrated success in the development and distribution of investment strategies and products, enable him to provide valuable insights to the Board and strategic direction for the Funds. Mr. Brown serves on the Boards of the Victory Funds family of funds consisting of five registered investment companies offering approximately 104 mutual funds and 24 ETFs. Mr. Brown is considered an Interested Trustee of the Trust due to his position with Victory Capital and its affiliated companies.

NON-INTERESTED (INDEPENDENT) TRUSTEES

Robert L. Mason, Ph.D.^{3, 4, 5, 6, 7}

Trustee

Born: July 1946

Year of Election or Appointment: 1997

Trustee, USAA ETF Trust (06/17–06/19); Adjunct Professor in the Department of Management Science and Statistics in the College of Business at the University of Texas at San Antonio (2001–present); Institute Analyst, Southwest Research Institute (03/02–01/16), which focuses on providing innovative technology, science, and engineering services to clients around the world and is one of the oldest independent, nonprofit, applied research and development organizations in the United States. He was employed at Southwest Research Institute for 40 years. Dr. Mason brings to the Board particular experience with information technology matters, statistical analysis, and human resources as well as over 22 years' experience as a Board member of the USAA family of funds. Dr. Mason holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Jefferson C. Boyce^{3,4,5,6,7}

Lead Trustee and Vice Chair

Born: September 1957

Year of Election or Appointment: 2013

Trustee, USAA ETF Trust (06/17–06/19); Senior Managing Director, New York Life Investments, LLC (1992–2012), an investment manager. Mr. Boyce brings to the Board experience in financial investment management, and, in particular, institutional and retail mutual funds, variable annuity products, broker dealers, and retirement programs, including experience in organizational development, marketing, product development, and money management as well as five years' experience as a Board member of the USAA family of funds. Mr. Boyce is a board member of Westhab, Inc.

Dawn M. Hawley^{3,4,5,6,7,9}

Trustee

Born: February 1954

Year of Election or Appointment: 2014

Trustee, USAA ETF Trust (06/17–06/19); Manager of Finance, Menil Foundation, Inc. (05/07–06/11), which is a private foundation that oversees the assemblage of sculptures, prints, drawings, photographs, and rare books. Director of Financial Planning and Analysis and Chief Financial Officer, AIM Management Group, Inc. (10/87–01/06). Ms. Hawley brings to the Board experience in financial investment management and, in particular, institutional and retail mutual funds, variable annuity products, broker dealers, and retirement programs, including experience in financial planning, budgeting, accounting practices, and asset/liability management functions including major acquisitions and mergers, as well as over five years' experience as a Board member of the USAA family of funds. Ms. Hawley holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Paul L. McNamara^{3, 4, 5, 6, 7}

Trustee

Born: July 1948

Year of Election or Appointment: 2012

Trustee, USAA ETF Trust (06/17–06/19); Director, Cantor Opportunistic Alternatives Fund, LLC (03/10–02/14), which is a closed-end fund of funds by Cantor Fitzgerald Investment Advisors, LLC. Mr. McNamara retired from Lord Abbett & Co. LLC, an independent U.S. investment management firm, as an Executive Member on 09/30/09, a position he held since 10/02. He had been employed at Lord Abbett since 1996. Mr. McNamara brings to the Board extensive experience with the financial services industry and, in particular, institutional and retail mutual fund markets, including experience with mutual fund marketing, distribution, and risk management, as well as overall experience with compliance and corporate governance issues. Mr. McNamara also has experience serving as a fund director as well as seven years' experience as a Board member of the USAA family of funds. Paul L. McNamara is of no relation to Daniel S. McNamara. Mr. McNamara holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Richard Y. Newton III^{3, 4, 5, 6, 7}

Trustee

Born: January 1956

Year of Election or Appointment: 2017

Trustee, USAA ETF Trust (06/17–06/19); Director, Elta North America (01/18–present), which is a global leader in the design, manufacture and support of innovative electronic systems in the ground, maritime, airborne, and security domains for the nation's warfighters, security personnel, and first responders; Managing Partner, Pioneer Partnership Development Group (12/15–present); Executive Director, The Union League Club of New York (06/14–11/15); Executive Vice President, Air Force Association (08/12–05/14); Lieutenant General, United States Air Force (01/08–06/12). Lieutenant General Newton (Ret.) served 34 years of active duty in the United States Air Force. Lt. Gen. Newton retired as the Assistant Vice Chief of Staff and Director of Air Staff at the Headquarters of the U.S. Air Force where he was responsible for overseeing the administration and organization

of the Air Staff, which develops policies, plans and programs, establishes requirements, and provides resources to support the Air Force's mission. Lt. Gen. Newton is a graduate of the United States Air Force Academy, Webster University, and The National War College. Lt. Gen. Newton brings to the Board extensive management and military experience, as well as over two years of experience as a Board member of the USAA family of funds. Lt. Gen. Newton holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Barbara B. Ostdiek, Ph.D.^{3, 4, 5, 6, 7, 8}

Trustee

Born: March 1964

Year of Election or Appointment: 2008

Trustee, USAA ETF Trust (06/17–06/19); Senior Associate Dean of Degree programs at Jesse H. Jones Graduate School of Business at Rice University (07/13–present); Associate Professor of Finance at Jesse H. Jones Graduate School of Business at Rice University (07/01–present); Academic Director, El Paso Corporation Finance Center at Jesse H. Jones Graduate School of Business at Rice University (07/02–06/12). Dr. Ostdiek brings to the Board particular experience with financial investment management, education, and research as well as over eleven years' experience as a Board member of the USAA family of funds. Dr. Ostdiek holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Michael F. Reimherr^{3, 4, 5, 6, 7}

Trustee

Born: August 1945

Year of Election or Appointment: 2000

Trustee, USAA ETF Trust (06/17–06/19); President of Reimherr Business Consulting performing business valuations of medium to large companies; developing business plans, budgets, and internal financial reporting; and work with mergers and acquisitions (05/95–12/17). St. Mary's University Investment Committee overseeing University Endowment (06/14–present). Mr. Reimherr brings to the Board particular experience with organizational development, budgeting, finance, capital markets, and mergers and acquisitions, as well as

over 19 years' experience as a Board member of the USAA family of funds. Mr. Reimherr holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

John C. Walters^{3, 4, 5, 6, 7}

Trustee

Born: February 1962

Year of Election or Appointment: 2019

Retired. Mr. Walters brings significant Board experience including active involvement with the board of a Fortune 500 company, and a proven record of leading large, complex financial organizations. He has a demonstrated record of success in distribution, manufacturing, investment brokerage, and investment management in both the retail and institutional investment businesses. He has substantial experience in the investment management business with a demonstrated ability to develop and drive strategy while managing operational, financial, and investment risk. Mr. Walters is a board member of Guardian Variable Products Trust (16 series), Lead Independent Director; Amerilife Holdings LLC, Director; Stadion Money Management; Director; and University of North Carolina (Chapel Hill), Member Board of Governors.

¹ Indicates the Trustee is an employee of AMCO or affiliated companies and is considered an "interested person" under the Investment Company Act of 1940.

² Member of Executive Committee.

³ Member of Audit and Compliance Committee.

⁴ Member of Product Management and Distribution Committee.

⁵ Member of Corporate Governance Committee.

⁶ Member of Investments Committee.

⁷ The address for all non-interested trustees is that of the USAA Funds, P.O. Box 659430, San Antonio, TX 78265-9430.

⁸ Dr. Ostdiek has been designated as an Audit and Compliance Committee Financial Expert by the Funds' Board.

⁹ Ms. Hawley has been designated as an Audit and Compliance Committee Financial Expert by the Funds' Board.

¹⁰ Indicates the Trustee is an employee of Victory Capital or affiliated companies and is considered an "interested person" under the Investment Company Act of 1940.

† Mr. D. McNamara was elected as Chair of the Board in July 2019.

Effective July 1, 2019, the Board of the Trust appointed certain new officers of the Trust. The current officers of the Trust are stated below.

OFFICERS

Christopher K. Dyer

President

Born: February 1962

Year of Appointment: 2019

Director of Mutual Fund Administration, the Victory Capital.

Scott A. Stahorsky

Vice President

Born: July 1969

Year of Appointment: 2019

Manager, Fund Administration, the Adviser (since 2015); Senior Analyst, Fund Administration, the Victory Capital (prior to 2015).

Allan Shaer

Assistant Treasurer

Born: March 1965

Year of Appointment: 2019

Senior Vice President, Financial Administration, Citi Fund Services Ohio, Inc. (since 2016); Vice President, Mutual Fund Administration, JP Morgan Chase (2011–2016).

James K. De Vries

Treasurer

Born: April 1969

Year of Appointment: 2018

Treasurer, USAA ETF Trust (09/18–06/19); Executive Director, Investment and Financial Administration, USAA (04/12–present); Assistant Treasurer, USAA ETF Trust (06/17–09/18); Assistant Treasurer, USAA Mutual Funds Trust (12/13–02/18). Mr. De Vries also serves as the Funds' Principal Financial Officer.

Carol D. Trevino

Assistant Treasurer

Born: October 1965

Year of Appointment: 2018

Assistant Treasurer, USAA ETF Trust (09/18–06/19); Accounting/Financial Director, USAA (12/13–present); Senior Accounting Analyst, USAA (03/11–12/13).

Erin G. Wagner

Secretary

Born: February 1974

Year of Appointment: 2019

Associate General Counsel, the Adviser (since 2013).

Charles Booth

Anti-Money Laundering Compliance Officer and Identity Theft Officer

Born: April 1960

Year of Appointment: 2019

Director, Regulatory Administration and CCO Support Services, Citi Fund Services Ohio, Inc. (2007–present).

Amy Campos

Chief Compliance Officer

Born: August 1976

Year of Appointment: 2019

Chief Compliance Officer, USAA Mutual Funds Trust (7/1/19–present); Executive Director, Deputy Chief Compliance Officer, USAA Mutual Funds Trust and USAA ETF Trust (7/17–6/19); Compliance Director, USAA Mutual Funds Trust (2014–7/17); Senior Compliance Advisor, USAA Mutual Funds Trust (2010–2014).

The following officers served in their respective office until July 1, 2019, at which point each of the following officers resigned from their respective office and no longer serve in these positions.

John C. Spear

Vice President

Born: May 1964

Year of Appointment: 2016

Vice President, USAA ETF Trust (06/17–06/19); Senior Vice President and Chief Investment Officer, USAA Investments, (03/17–present); Vice President and Chief Investment Officer, USAA Investments, (11/16–03/17); Vice President, Long Term Fixed Income (05/12–11/16).

John P. Toohey

Vice President

Born: March 1968

Year of Appointment: 2009

Vice President, USAA ETF Trust (06/17–06/19); Head of Equities, Equity Investments, AMCO (01/12–present).

Kristen Millan

Secretary

Born: April 1983

Year of Appointment: 2019

Secretary, USAA ETF Trust (04/19–06/19); Assistant Secretary, USAA ETF Trust (01/19–06/19); Senior Attorney, FASG General Counsel, USAA (09/17–06/19); Attorney, FASG General Counsel, USAA (06/13–09/17). Ms. Millan also serves as Assistant Secretary of AMCO, ICORP, and SAS.

Stephanie A. Higby

Chief Compliance Officer

Born: July 1974

Year of Appointment: 2013

Chief Compliance Officer, USAA ETF Trust (06/17–06/19); Assistant Vice President, Compliance-Investments, USAA (02/18–present); Assistant Vice President, Compliance Mutual Funds, USAA (12/16–01/18); Executive Director, Institutional Asset Management Compliance, USAA (04/13–12/16). Ms. Higby also serves as the Funds' anti-money laundering compliance officer and as the Chief Compliance Officer for AMCO and IMCO.

As of July 1, 2019

Trustees

Daniel S. McNamara
Robert L. Mason, Ph.D.
Jefferson C. Boyce
Dawn M. Hawley
Paul L. McNamara
Richard Y. Newton III
Barbara B. Ostdiek, Ph.D.
Michael F. Reimherr
David C. Brown
John C. Walters

**Administrator and
Investment Adviser**

Victory Capital Management Inc.
P.O. Box 659453
San Antonio, Texas 78265-9825

**Underwriter and
Distributor**

Victory Capital Advisers Inc.
4900 Tiedeman Road
Brooklyn, Ohio 44144
San Antonio, Texas 78265-9825

Transfer Agent

Victory Capital Transfer Agency Inc.
9800 Fredericksburg Road
San Antonio, Texas 78288

**Custodian,
Accounting Agent, and
Sub-Administrator**

State Street Bank and Trust Company
P.O. Box 1713
Boston, Massachusetts 02105

**Independent
Registered Public
Accounting Firm**

Ernst & Young LLP
100 West Houston St., Suite 1700
San Antonio, Texas 78205

Copies of the USAA AMCO's proxy voting policies and procedures, approved by the Trust's Board of Trustees for use in voting proxies on behalf of the Fund, are available without charge (i) by calling (800) 235-8396; (ii) at usaa.com; and (iii) in summary within the Statement of Additional Information on the SEC's website at <http://www.sec.gov>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge (i) at usaa.com; and (ii) on the SEC's website at <http://www.sec.gov>.

The Fund files its complete schedule of monthly portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT (beginning with filings after March 31, 2019). Previously, the Fund made its complete schedule of portfolio holdings available after the first and third fiscal quarters in regulatory filings on Form N-Q. The Fund's Forms N-CSR, N-PORT, and N-Q are available at no charge (i) by calling (800) 235-8396; (ii) at usaa.com; and (iii) on the SEC's website at <http://www.sec.gov>.