USAA®

MUTUAL FUNDS

July 31, 2019

Annual Report

USAA Income Stock Fund

Fund Shares	Institutional Shares	R6 Shares
USISX	UIISX	URISX

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.

PRESIDENT'S MESSAGE

". . . now may be an opportune time for investors to ensure that their portfolios are well diversified and that their overall allocation is appropriate for their particular risk appetite."

September 2019

Although the bull market in equities has continued running, it was not without a few missteps. Trade turmoil, questions surrounding global economic growth, changing monetary policy, and geopolitical disputes have all led to increased volatility. But through it all, domestic stocks, as measured by the S&P 500® Index, still managed an annual return of approximately 8% for the 12-month period ended July 31, 2019.

Given the sometimes dire news flow and ample cross-currents, it's no surprise that volatility returned to the market. On one hand, the U.S. economy continues to look good. The unprecedented streak of job creation has continued uninterrupted, and unemployment is bouncing along historic lows at 3.7%. The consumer remains resilient and inflation is tepid. On the flip side, however, U.S. trade policy seems to be evolving, with new tariffs threatened and implemented. The markets generally dislike this type of trade turmoil and uncertainty, and the ongoing tensions between the United States and China (and other trading partners) threaten to upend global supply chains and hinder economic growth.

It's not just the stock market that has been dealing with volatility. The bond market also has experienced volatility, due largely to the U.S. Federal Reserve's (the "Fed") famous "pivot" in late 2018. Against the backdrop of rapidly falling equities in the fourth quarter of 2018, the Fed signaled that its next policy move would be to lower—not increase—short-term interest rates. This immediately altered the yield environment.

Meanwhile, the U.S. Treasury yield curve continued to flatten and, in fact, inverted—whereby shorter-term yields became higher than longer-term yields. Such a yield-curve inversion is a worrying sign as it sometimes, but not always, portends to a recession.

Although we are not predicting a recession, we must acknowledge that risks have increased for an economic slowdown. Given that the current run in stocks is more than a decade old, it's important for investors to keep perspective that the bull market cannot continue forever. Therefore, now may be an opportune time for investors to ensure that their portfolios are well diversified and that their overall allocation is appropriate for their particular risk appetite.

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, 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. On the following pages, you will find information relating to your USAA Investments, which is now a Victory Capital Investment Franchise. If you have any questions about your investments, we encourage you to engage your financial advisor or else contact us directly at 800-235-8396 or visit usaa.com.

My colleagues and I sincerely appreciate the confidence you have placed in us, and we value the opportunity to help you meet your investment goals.

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 Victory Capital Management Inc. 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

VictoryShares and Solutions

Mannik S. Dhillon, CFA, CAIA
Wasif A. Latif

Epoch Investment Partners, Inc.

Michael A. Welhoelter, CFA
John Tobin, Ph.D., CFA
Kera Van Valen, CFA
William W. Priest, CFA

■ Please review market conditions over the 12-month reporting period ended July 31, 2019.

While U.S. stocks ended the 12-month reporting period in positive territory, there was significant volatility along the way. Against a backdrop of slowing global growth, for much of the reporting period, markets responded primarily to headlines around U.S. monetary and trade policy. Entering the reporting period, the U.S. Federal Reserve (the "Fed") was on a tightening trajectory, which market participants interpreted as confirming a relatively sanguine outlook for the U.S. economy. The fourth quarter of 2018 saw a sharp reversal in risk appetites, however, as softening data out of Europe and China raised concerns that the Fed would increase interest rates too quickly even as a global recession possibly loomed. Uncertainty around U.S. trade policy and corporate earnings also weighed on sentiment heading into calendar year-end. While the Fed followed through on its previously signaled December interest rate increase, it pivoted to a more dovish stance entering 2019, leading to a rebound in risk asset valuations.

Escalating rhetoric between the United States and China around trade generated concerns throughout the reporting period. May of 2019 saw markets decline as President Trump announced plans to impose a 25% tariff on some $200 billion in Chinese imports. The lost ground was subsequently recovered as the Fed indicated that it was prepared to cut its benchmark interest rate, if needed, to help offset any drag on economic growth stemming from trade friction. Corporate earnings reports that generally were in line with expectations also served to bolster sentiment. Most major stock indices ended July 2019 near their all-time highs.

For the 12-month reporting period, the growth style outpaced value by a notable margin, as investors favored companies viewed as having the ability to maintain profit growth against a backdrop of a slowing global economy. The Russell 1000® Growth Index returned 10.82% for the reporting period as compared to 5.20% for the Russell 1000® Value Index.

■ How did the USAA Income Stock Fund (the "Fund") perform during the reporting period?

The Fund has three share classes: Fund Shares, Institutional Shares, and R6 Shares. For the reporting period ended July 31, 2019, the Fund Shares, Institutional Shares, and R6 Shares had a total return of 6.26%, 6.30%, and 6.37%, respectively. This compares to returns of 5.20% for the Russell 1000 Value Index (the "Index") and 5.93% for the Lipper Equity Income Funds Index.

Victory Capital Management Inc. (the "Manager" or "Victory Capital") is the Investment Adviser for the Fund. The Manager, along with subadviser Epoch Investment Partners ("Epoch"), provides day-to-day discretionary management of the Fund's assets. As the investment adviser, the Manager has dedicated resources that support the research, selection, and monitoring of subadvisers.

■ What were your strategies in this environment?

Performance of the Fund relative to the Index was driven principally by the Epoch and USAA Investments strategies that were in effect for the first 11 months of the fiscal period ended July 31, 2019.

The Epoch strategy generated a positive return and outperformed the broader market as measured by the Index. Outperformance was driven

Refer to page 5 for benchmark definitions.

Past performance is no guarantee of future results.

by the utilities, energy, and financials sectors. Specifically, a sector overweight to the utilities sector and an underweight to the energy sector drove relative return, which also was aided by stock selection in both sectors. Stock selection in the financial sector also was beneficial, driven by an overweight to the insurance industry, while an underweight to the lagging sector aided performance as well. The largest detractor was health care, as an underweight to and selection within the sector hindered results. Stock selection in the consumer staples also detracted from relative performance, largely driven by the portfolio's tobacco holdings, although the negative impact was partially offset by an overweight to the sector.

The largest individual positive contributors to performance within the Epoch strategy were Welltower, Inc.* and Entergy Corp.* Welltower, Inc. is structured as a Real Estate Investment Trust and operates in the United States, Canada, and the United Kingdom. It owns a diversified portfolio of healthcare-related properties including senior housing communities, post-acute facilities, outpatient medical properties, and medical office buildings. The company's shares trended higher on growing confidence in Welltower's growth trajectory following the acquisition of Quality Care Properties in July 2018. A favorable first quarter earnings report showing good same-store net operating income growth driven by both higher occupancy and rate increases also boosted the stock. Entergy Corp. is a domestic utility company that provides regulated electricity and natural gas services to customers in the states of Arkansas, Louisiana, Alabama, and Texas. The stock outperformed as the company made further progress on exiting the merchant generation business in unregulated markets. In addition, shares traded higher along with the broader utility group as market volatility increased, particularly in the fourth quarter of 2018, and as interest rates declined over the period.

The largest individual detractors from performance were British American Tobacco plc ADR* and Occidental Petroleum Corp. ("Occidental"). British American Tobacco plc ADR is a global tobacco producer. The shares came under pressure in 2018, along with tobacco peers on concerns around the pace of growth in "next generation" products and comments from the Federal Drug Administration about reducing nicotine to non-addictive levels. Occidental is a global energy company that explores, produces, and markets crude oil and natural gas. It also owns midstream, marketing, and chemical assets that provide diversification in cash flow. Occidental shares underperformed as an agreement to acquire Anadarko Petroleum Corporation was viewed unfavorably by some investors. In addition, declining oil and gas prices weighed on the broader energy segment.

The USAA Investments' strategy performed essentially in line with the Index. Performance was supported by an overweight to and strong stock selection within the information technology sector, as well as by selection within financials. The biggest detractors in sector terms included stock selection within the health care and materials sectors.

In terms of individual holdings, positive contributions were led by Microsoft Corp.* ("Microsoft") and Progressive Corp. ("Progressive"). Information technology company Microsoft has continued to successfully transition into cloud-based enterprise services, with a corresponding positive impact on earnings visibility. Auto insurance giant Progressive has continued to display strong customer acquisition and underwriting results, fueling a sharp rise in year-over-year earnings.

Negative contributions to performance were most notable within the strategy's energy holdings as oil price volatility hampered the segment. Within health care, an overweight to pharmaceutical company AbbVie, Inc.* was the largest detractor, as pricing pressure from biosimilars and a proposed acquisition of competitor Allergan Funding SCS weighed on the stock. Within materials, exposure to silver miner Tahoe Resources, Inc. led detractors as its appeal of an operating license suspension by the Guatemalan government was unsuccessful.

Thank you for allowing us to help you with your investment needs.

*Welltower, Inc., Entergy Corp., British American Tobacco plc ADR, Microsoft Corp., and Tahoe Resources were sold out of the Fund prior to July 31, 2019.

Investments in foreign securities are subject to additional and more diverse risks, including but not limited to currency fluctuations, market illiquidity, and political and economic instability. Foreign investing may result in more rapid and extreme changes in value than investments made exclusively in the securities of U.S. companies. There may be less publicly available information relating to foreign companies than those in the United States. Foreign securities also may be subject to foreign taxes. Investments made in emerging market countries may be particularly volatile. Economies of emerging market countries generally are less diverse and mature than more developed countries and may have less stable political systems. • Dividends are not guaranteed. In any year, dividends may be higher, lower, or not paid at all.

INVESTMENT OVERVIEW

■ AVERAGE ANNUAL TOTAL RETURNS AS OF 7/31/19 ■

	1 Year	5 Year	10 Year	Since Inception*	Inception Date
Fund Shares	6.26%	8.33%	11.88%	–	–
Institutional Shares	6.30%	8.37%	11.99%	–	–
R6 Shares	6.37%	–	–	10.57%	12/01/16
Russell 1000® Value Index** (reflects no deduction for fees, expenses, or taxes)	5.20%	8.01%	12.39%	–	–
Lipper Equity Income Funds Index*** (reflects no deduction for taxes)	5.93%	8.28%	11.75%	–	–

*Since inception returns are shown when a share class has less than 10 years of performance. Total returns for periods of less than one year are not annualized.

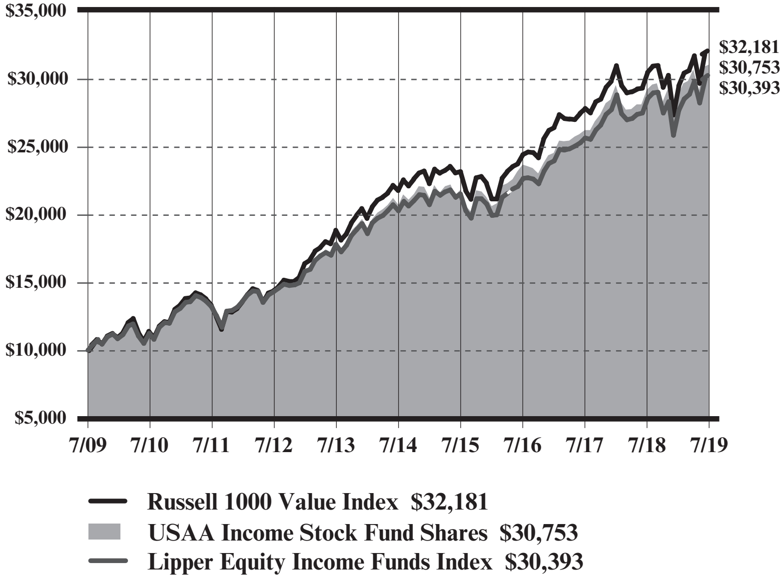
**The unmanaged Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

***The unmanaged Lipper Equity Income Funds Index tracks the total return performance of funds within the Lipper Equity Income Funds category.

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 7/31/09 through 7/31/19.

The graph illustrates the comparison of a $10,000 hypothetical investment in the USAA Income Stock Fund Shares 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 Lipper Equity Income Funds Index reflects the fees and expenses of the underlying funds included in the index.

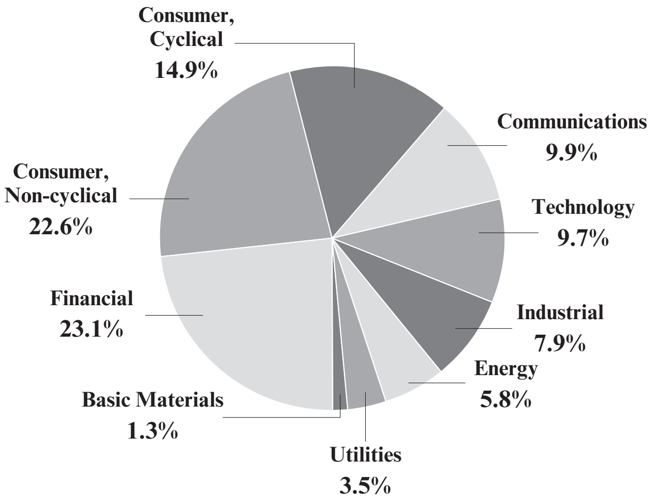
■ TOP 10 HOLDINGS – 7/31/19 ■

(% of Net Assets)

Johnson & Johnson	4.0%
Verizon Communications, Inc.	3.5%
Merck & Co., Inc.	3.5%
Cisco Systems, Inc.	3.4%
Walmart, Inc.	3.2%
Procter & Gamble Co.	3.1%
Citigroup, Inc.	2.4%
International Business Machines Corp.	2.3%
Apple, Inc.	2.1%
Home Depot, Inc.	1.8%

■ SECTOR ALLOCATION* – 7/31/19 ■

(% of Net Assets)



*Does not include exchange-traded funds and money market instruments.

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

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

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

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 Management Inc. ("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 USAA Asset Management Company ("AMCO") was acquired by Victory Capital Holdings, Inc., the parent company of Victory Capital.

Number of shares voting		
For	**Against**	**Abstain**
107,307,574	6,143,419	3,415,495

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 person" as defined in the Investment Company Act of 1940, as amended (1940 Act) ("Interested Trustee"); 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").

	Number of shares voting	
Trustees	**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 July 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 July 31, 2019:

Dividend Received Deduction (corporate shareholders)[1]	Long-Term Capital Gain Distributions[2]	Qualified Interest Income
100%	$167,823,000	$1,176,000

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

[2] Pursuant to Section 852 of the Internal Revenue Code.

For the fiscal year ended July 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 Income Stock Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of USAA Income Stock Fund (the "Fund") (one of the funds constituting the USAA Mutual Funds Trust (the "Trust")), including the portfolio of investments, as of July 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 the USAA Mutual Funds Trust) at July 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 July 31, 2019, by correspondence with the custodian and brokers. 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.

Ernst + Young LLP

We have served as the auditor of one or more Victory Capital investment companies since 1995.

San Antonio, Texas
September 20, 2019

PORTFOLIO OF INVESTMENTS

July 31, 2019

Number of Shares	Security	Market Value (000)
	EQUITY SECURITIES (99.7%)	
	COMMON STOCKS (98.7%)	
	Basic Materials (1.3%)	
	Chemicals (1.0%)	
122,900	Air Products & Chemicals, Inc.	$ 28,054
	Mining (0.3%)	
220,400	Newmont Goldcorp Corp.	8,049
	Total Basic Materials	36,103
	Communications (9.9%)	
	Advertising (0.5%)	
171,100	Omnicom Group, Inc.	13,726
	Internet (0.4%)	
84,900	Expedia Group, Inc.	11,270
	Media (1.5%)	
431,600	Comcast Corp. "A"	18,632
39,100	FactSet Research Systems, Inc.	10,842
93,200	Walt Disney Co.	13,329
		42,803
	Telecommunications (7.5%)	
499,900	AT&T, Inc.	17,022
1,701,200	Cisco Systems, Inc.	94,246
1,799,800	Verizon Communications, Inc.	99,475
		210,743
	Total Communications	278,542
	Consumer, Cyclical (14.9%)	
	Airlines (1.7%)	
128,300	Alaska Air Group, Inc.	8,129
450,500	Delta Air Lines, Inc.	27,498
210,900	Southwest Airlines Co.	10,868
		46,495

Number of Shares	Security	Market Value (000)
	Apparel (0.3%)	
89,300	NIKE, Inc.“B”	$ 7,682
	Auto Manufacturers (2.1%)	
3,576,625	Ford Motor Co.	34,085
369,400	General Motors Co.	14,902
161,300	PACCAR, Inc.	11,313
		60,300
	Auto Parts & Equipment (0.4%)	
235,100	Allison Transmission Holdings, Inc.	10,803
	Housewares (0.3%)	
121,100	Toro Co.	8,819
	Retail (10.1%)	
113,100	Best Buy Co., Inc.	8,655
110,200	Genuine Parts Co.	10,703
243,100	Home Depot, Inc.	51,948
91,900	Lowe’s Companies, Inc.	9,319
65,300	McDonald’s Corp.	13,760
450,300	Starbucks Corp.	42,639
179,700	Target Corp.	15,526
178,800	TJX Companies, Inc.	9,755
617,100	Walgreens Boots Alliance, Inc.	33,626
801,800	Walmart, Inc.	88,503
		284,434
	Total Consumer, Cyclical	418,533
	Consumer, Non-cyclical (22.6%)	
	Beverages (0.3%)	
65,900	PepsiCo, Inc.	8,423
	Biotechnology (1.7%)	
249,900	Amgen, Inc.	46,626
	Commercial Services (1.4%)	
23,000	MarketAxess Holdings, Inc.	7,752
122,700	Robert Half International, Inc.	7,412
95,600	S&P Global, Inc.	23,417
		38,581
	Cosmetics/Personal Care (3.8%)	
291,400	Colgate-Palmolive Co.	20,905
727,300	Procter & Gamble Co.	85,851
		106,756

Number of Shares	Security	Market Value (000)
	Food (0.7%)	
206,400	General Mills, Inc.	$ 10,962
127,100	Sysco Corp.	8,715
		19,677
	Healthcare Products (2.9%)	
206,600	Abbott Laboratories	17,995
47,300	Becton, Dickinson and Co.	11,958
86,300	Danaher Corp.	12,125
313,500	Medtronic plc	31,958
40,000	Stryker Corp.	8,391
		82,427
	Healthcare-Services (0.4%)	
41,000	Anthem, Inc.	12,079
	Household Products/Wares (1.0%)	
205,200	Kimberly-Clark Corp.	27,835
	Pharmaceuticals (10.4%)	
769,900	AbbVie, Inc.	51,291
308,600	Cardinal Health, Inc.	14,112
871,200	Johnson & Johnson	113,448
102,100	McKesson Corp.	14,187
1,179,400	Merck & Co., Inc.	97,878
		290,916
	Total Consumer, Non-cyclical	633,320
	Energy (5.8%)	
	Oil & Gas (4.5%)	
426,600	Cabot Oil & Gas Corp.	8,174
241,100	Chevron Corp.	29,682
94,800	EOG Resources, Inc.	8,139
569,800	Exxon Mobil Corp.	42,370
261,900	Occidental Petroleum Corp.	13,451
177,400	Phillips 66	18,194
81,800	Valero Energy Corp.	6,973
		126,983
	Oil & Gas Services (0.8%)	
550,000	Schlumberger Ltd.	21,984
	Pipelines (0.5%)	
204,300	ONEOK, Inc.	14,317
	Total Energy	163,284

Number of Shares	Security	Market Value (000)
	Financial (23.1%)	
	Banks (9.2%)	
394,300	Bank of America Corp.	$ 12,097
248,300	Bank of New York Mellon Corp.	11,650
224,000	BB&T Corp.	11,543
950,500	Citigroup, Inc.	67,638
138,000	Comerica, Inc.	10,102
389,600	Fifth Third Bancorp	11,567
1,229,500	Huntington Bancshares, Inc.	17,520
190,900	J.P. Morgan Chase & Co.	22,145
74,600	M&T Bank Corp.	12,253
185,500	PNC Financial Services Group, Inc.	26,508
332,900	U.S. Bancorp.	19,025
510,600	Wells Fargo & Co.	24,718
238,300	Zions Bancorp, N.A.	10,740
		257,506
	Diversified Financial Services (5.3%)	
129,700	American Express Co.	16,131
235,400	Capital One Financial Corp.	21,756
99,845	Cboe Global Markets, Inc.	10,914
95,600	CME Group, Inc.	18,586
223,100	Discover Financial Services	20,021
765,500	Franklin Resources, Inc.	24,978
234,100	Intercontinental Exchange, Inc.	20,568
393,800	Invesco Ltd.	7,557
77,700	Nasdaq, Inc.	7,488
		147,999
	Insurance (5.1%)	
395,600	Aflac, Inc.	20,824
225,300	Allstate Corp.	24,197
129,200	American Financial Group, Inc.	13,228
38,800	Everest Re Group Ltd.	9,570
73,200	Hanover Insurance Group, Inc.	9,495
259,600	Hartford Financial Services Group, Inc.	14,961
269,900	MetLife, Inc.	13,338
119,300	Progressive Corp.	9,661
76,000	RenaissanceRe Holdings Ltd.	13,767
93,600	ravelers Companies, Inc.	13,724
		142,765
	Real Estate (0.4%)	
78,600	Jones Lang LaSalle, Inc.	11,451

Number of Shares	Security	Market Value (000)
	REITS (2.6%)	
763,999	Chimera Investment Corp.	$ 14,730
60,100	Public Storage	14,590
199,000	Simon Property Group, Inc.	32,278
184,000	Ventas, Inc.	12,381
		73,979
	Savings & Loans (0.5%)	
802,500	People's United Financial, Inc.	13,177
	Total Financial	646,877
	Industrial (7.9%)	
	Aerospace/Defense (1.1%)	
86,100	Lockheed Martin Corp.	31,183
	Building Materials (0.8%)	
259,800	Johnson Controls International plc	11,026
48,200	Lennox International, Inc.	12,362
		23,388
	Electronics (1.4%)	
92,700	Allegion plc	9,598
168,200	Honeywell International, Inc.	29,008
		38,606
	Environmental Control (1.7%)	
244,900	Republic Services, Inc.	21,710
228,300	Waste Management, Inc.	26,711
		48,421
	Machinery-Diversified (0.8%)	
88,800	Cummins, Inc.	14,563
45,300	Rockwell Automation, Inc.	7,284
		21,847
	Miscellaneous Manufacturers (1.0%)	
151,700	Eaton Corp. plc	12,468
104,600	Illinois Tool Works, Inc.	16,133
		28,601
	Transportation (1.1%)	
202,300	CH Robinson Worldwide, Inc.	16,939
105,300	United Parcel Service, Inc. "B"	12,580
		29,519
	Total Industrial	221,565

Number of Shares	Security	Market Value (000)
	Technology (9.7%)	
	Computers (4.4%)	
282,800	Apple, Inc.	$ 60,248
427,490	International Business Machines Corp.	63,371
		123,619
	Semiconductors (3.2%)	
329,300	Intel Corp.	16,646
502,500	QUALCOMM, Inc.	36,763
299,100	Texas Instruments, Inc.	37,390
		90,799
	Software (2.1%)	
148,300	Activision Blizzard, Inc.	7,228
918,800	Oracle Corp.	51,729
		58,957
	Total Technology	273,375
	Utilities (3.5%)	
	Electric (3.5%)	
219,900	CMS Energy Corp.	12,802
220,400	Dominion Energy, Inc.	16,373
292,500	Duke Energy Corp.	25,366
291,600	Evergy, Inc.	17,639
156,100	Southern Co.	8,773
198,700	WEC Energy Group, Inc.	16,981
	Total Utilities	97,934
	Total Common Stocks (cost: $2,438,141)	2,769,533
	EXCHANGE-TRADED FUNDS (1.0%)	
220,000	iShares Russell 1000 Value ETF	28,257
	Total Equity Securities (cost: $2,466,376)	2,797,790
	MONEY MARKET INSTRUMENTS (0.2%)	
	GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (0.2%)	
6,568,169	State Street Institutional Treasury Money Market Fund Premier Class, 2.09%[a] (cost: $6,568)	6,568
	Total Investments (cost: $2,472,944)	**$2,804,358**

($ in 000s)	VALUATION HIERARCHY			
Assets	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**Total**
Equity Securities:				
Common Stocks	$2,769,533	$–	$–	$2,769,533
Exchange-Traded Funds	28,257	–	–	28,257
Money Market Instruments:				
Government & U.S. Treasury Money Market Funds	6,568	–	–	6,568
Total	$2,804,358	$–	$–	$2,804,358

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

NOTES TO PORTFOLIO OF INVESTMENTS

July 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

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.

SPECIFIC NOTES

(a) Rate represents the money market fund annualized seven-day yield at July 31, 2019.

See accompanying notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES
(IN THOUSANDS)

July 31, 2019

ASSETS	
Investments in securities, at market value (cost of $2,472,944)	$2,804,358
Cash	799
Receivables:	
Capital shares sold	396
Victory Capital (Note 8)	4
Dividends and interest	4,986
Other	66
Total assets	2,810,609
LIABILITIES	
Payables:	
Capital shares redeemed	1,171
Accrued administration and servicing fees	318
Accrued management fees	1,226
Accrued transfer agent's fees	200
Other accrued expenses and payables	176
Total liabilities	3,091
Net assets applicable to capital shares outstanding	$2,807,518
NET ASSETS CONSIST OF:	
Paid-in capital	$2,034,016
Distributable earnings	773,502
Net assets applicable to capital shares outstanding	$2,807,518
Net asset value, redemption price, and offering price per share:	
Fund Shares (net assets of $1,707,034/86,291 capital shares outstanding, no par value)	$ 19.78
Institutional Shares (net assets of $1,088,446/55,084 capital shares outstanding, no par value)	$ 19.76
R6 Shares (net assets of $12,038/609 capital shares outstanding, no par value)	$ 19.77

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS
(IN THOUSANDS)

Year ended July 31, 2019

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $933)	$ 87,010
Interest	1,548
Securities lending (net)	38
Total income	88,596
EXPENSES	
Management fees	13,882
Administration and servicing fees:	
Fund Shares	2,504
Institutional Shares	1,095
R6 Shares	6
Transfer agent's fees:	
Fund Shares	1,264
Institutional Shares	1,095
R6 Shares	1
Custody and accounting fees:	
Fund Shares	194
Institutional Shares	125
R6 Shares	1
Postage:	
Fund Shares	68
Institutional Shares	54
Shareholder reporting fees:	
Fund Shares	44
Institutional Shares	8
Trustees' fees	37
Registration fees:	
Fund Shares	30
Institutional Shares	31
R6 Shares	18

Professional fees	$ 99
Other	38
Total expenses	20,594
Expenses reimbursed:	
R6 Shares	(10)
Net expenses	20,584
NET INVESTMENT INCOME	68,012
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY	
Net realized gain on:	
Investments	486,558
Foreign currency transactions	9
Change in net unrealized appreciation/(depreciation)	(375,906)
Net realized and unrealized gain	110,661
Increase in net assets resulting from operations	$ 178,673

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)

Years ended July 31,

	2019	2018
FROM OPERATIONS		
Net investment income	$ 68,012	$ 61,566
Net realized gain on investments	486,558	159,509
Net realized gain (loss) on foreign currency transactions	9	(2)
Change in net unrealized appreciation/(depreciation) of:		
Investments	(375,906)	76,550
Foreign currency translations	–	(1)
Increase in net assets resulting from operations	178,673	297,622
DISTRIBUTIONS TO SHAREHOLDERS FROM DISTRIBUTABLE EARNINGS:		
Fund Shares	(133,413)	(131,173)
Institutional Shares	(86,990)	(84,820)
R6 Shares	(991)	(973)
Distributions to shareholders	(221,394)	(216,966)
NET INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS (NOTE 7)		
Fund Shares	25,961	13,921
Institutional Shares	63,566	(94,681)
R6 Shares	(434)	7,300
Total net increase (decrease) in net assets from capital share transactions	89,093	(73,460)
Net increase in net assets	46,372	7,196
NET ASSETS		
Beginning of year	2,761,146	2,753,950
End of year	$2,807,518	$2,761,146

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

July 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 Income Stock 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. The Fund's investment objective is to seek current income with the prospect of increasing dividend income and the potential for capital appreciation.

The Fund consists of three classes of shares: Income Stock Fund Shares (Fund Shares), Income Stock Fund Institutional Shares (Institutional Shares), and Income Stock Fund R6 Shares (R6 Shares). Each class of shares has equal rights to assets and earnings, except that each class bears certain class-related expenses specific to the particular class. These expenses include administration and servicing fees, transfer agent fees, postage, shareholder reporting fees, and certain registration and custodian fees. Expenses not attributable to a specific class, income, and realized gains or losses on investments are allocated to each class of shares based on each class' relative net assets. Each class has exclusive voting rights on matters related solely to that class and separate voting rights on matters that relate to all classes. The Institutional Shares are available for investment through a USAA discretionary managed account program and certain advisory programs sponsored by financial intermediaries, such as brokerage firms, investment advisors, financial planners, third-party administrators, and insurance companies. Institutional Shares also are available to institutional investors, which include retirement plans, endowments, foundations, and bank trusts, as well as other persons or legal entities that the Fund may approve from time to time, or for purchase by an affiliate fund participating in a fund-of-funds investment strategy (affiliated funds). The R6 Shares are available for investment by participants in employer-sponsored retirement plans where a financial intermediary provides retirement recordkeeping services to plan participants and to endowment funds and foundations.

On November 6, 2018, United Services Automobile Association (USAA), the parent company of USAA Asset Management Company (AMCO), 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 Capital Holdings, Inc., a global investment management firm headquartered in Cleveland, Ohio (the Transaction) on July 1, 2019. Effective August 5, 2019, Citibank, N.A. is the new custodian for the USAA Mutual Funds. 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. 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.

A. **Security valuation** – The Trust's Board of Trustees (the Board) has established the Pricing 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 closing bid price generally is used for U.S. listed equities and the average of the bid and asked prices is used for foreign listed equities. 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. Equity securities trading in various foreign markets may take place on days when the NYSE is closed. Further, when the NYSE is open, the foreign markets may be closed. Therefore, the calculation of the Fund's net asset value (NAV) may not take place at the same time the prices of certain foreign securities held by the Fund are determined. In many cases, events affecting the values of foreign securities that occur between the time of their last quoted sale or official closing price and the close of normal trading on the NYSE on a day the Fund's NAV is calculated will not need to be reflected in the value of the Fund's foreign securities. However, the Manager and the Fund's subadviser(s) will monitor for events that would materially affect the value of the Fund's foreign securities. The Fund's subadviser(s) have agreed to notify the Manager of significant events they identify that would materially affect the value of the Fund's foreign securities. If the Manager determines that a particular event would materially affect the value of the Fund's foreign securities, then the Committee will consider such available information that it deems relevant and will determine a fair value for the affected foreign securities in accordance with valuation procedures. In addition, information from an external vendor or other sources may be used to adjust the foreign market closing prices of foreign equity securities to reflect what the Committee believes to be the fair value of the securities as of the

close of the NYSE. Fair valuation of affected foreign equity securities may occur frequently based on an assessment that events which occur on a fairly regular basis (such as U.S. market movements) are significant. Such securities are categorized in Level 2 of the fair value hierarchy.

3. Investments in open-end investment companies, commingled, or other funds, other than ETFs, are valued at their NAV at the end of each business day and are categorized in Level 1 of the fair value hierarchy.

4. Short-term debt securities with original or remaining maturities of 60 days or less generally are priced but may be valued at amortized cost, provided that amortized cost represents the fair value of such securities.

5. 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 bid 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.

6. Repurchase agreements are valued at cost.

7. 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. **<u>Investments in securities</u>** – 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.

D. **<u>Federal taxes</u>** – 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 July 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.

E. **<u>Foreign taxation</u>** – Foreign income and capital gains on some foreign securities may be subject to foreign taxes, which are reflected as a reduction to such income and realized gains. The Fund records a liability based on unrealized gains to provide for potential foreign taxes payable upon the sale of these securities. Foreign taxes have been provided for in accordance with the Fund's understanding of the applicable countries' prevailing tax rules and rates.

F. **<u>Foreign currency translations</u>** – The Fund's assets may be invested in the securities of foreign issuers and may be traded in foreign currency. Since the Fund's accounting records are maintained in U.S. dollars, foreign currency amounts are translated into U.S. dollars on the following bases:

1. Purchases and sales of securities, income, and expenses at the exchange rate obtained from an independent pricing service on the respective dates of such transactions.

2. Market value of securities, other assets, and liabilities at the exchange rate obtained from an independent pricing service on a daily basis.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Separately, net realized foreign currency gains/losses may arise from sales of foreign currency, currency gains/losses realized between the trade and settlement dates on security transactions, and from the difference between amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts received. At the end of the Fund's fiscal year, net realized foreign currency gains/losses are reclassified from accumulated net realized gains/losses to accumulated undistributed net investment income on the Statement of Assets and Liabilities, as such amounts are treated as ordinary income/loss for federal income tax purposes. Net unrealized foreign currency exchange gains/losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rate.

G. **Expenses paid indirectly** – A portion of the brokerage commissions that the Fund pays may be recaptured as a credit that is tracked and used by the custodian to directly reduce expenses paid by the Fund. Effective September 30, 2018, the commission recapture program ended. For the year ended July 31, 2019, the Fund did not receive any brokerage commission recapture credits.

H. **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.

I. **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 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. 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.

For the period July 1, 2019 to July 31, 2019, the Fund paid Citibank facility fees of $1,000, which represents 2.0% of the total fees paid to Citibank by the funds of the Trusts. The Fund had no borrowings under this agreement during the period July 1, 2019 to July 31, 2019. Effective July 1, 2019, the line of credit among the Trust, with respect to its funds, and USAA Capital Corporation (CAPCO) terminated. For the period from August 1, 2018 to

June 30, 2019, the Fund paid CAPCO facility fees of $23,000, which represents 3.4% of the total fees paid to CAPCO by the funds of the Trusts. The Fund had no borrowings under this agreement during the period August 1, 2018 to June 30, 2019.

(3) INTERFUND LENDING

Effective July 1, 2019, the Trust relies on an exemptive order granted to Victory Capital and its affiliated funds by the U.S. Securities and Exchange Commission (SEC) in March 2017 (the 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 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 Order, by averaging the current repurchase agreement rate and the current bank loan rate. For the period July 1, 2019 to July 31, 2019, the Fund did not lend.

(4) 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 foreign currency, partnership basis, partnership basis ordinary recapture, partnership non deductible expenses, non-REIT return of capital dividend, REIT return of capital dividend, REIT capital gain dividend, equalization, distribution re-designations, and additional adjustments resulted in reclassifications to the Statement of Assets and Liabilities to decrease distributable earnings by $11,316,000 and increase paid in capital by $11,316,000. These reclassifications had no effect on net assets.

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

	2019	2018
Ordinary income*	$ 64,890,000	$ 60,589,000
Long-term realized capital gains	156,504,000	156,377,000
Total distributions paid	$221,394,000	$216,966,000

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

Undistributed ordinary income*	$ 3,863,000
Undistributed long-term capital gains	437,477,000
Unrealized appreciation of investments	332,163,000

*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.

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 July 31, 2019, the Fund had no capital loss carryforwards, for federal income tax purposes.

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

Fund	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/ (Depreciation)
USAA Income Stock Fund	$2,472,195,000	$373,402,000	$(41,239,000)	$332,163,000

(5) INVESTMENT TRANSACTIONS

Cost of purchases and proceeds from sales/maturities of securities, excluding short-term securities, for the year ended July 31, 2019, were $2,343,926,000 and $2,334,613,000, respectively.

(6) 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 July 31, 2019, the Fund had no securities on loan.

(7) CAPITAL SHARE TRANSACTIONS

At July 31, 2019, there were an unlimited number of shares of capital stock at no par value authorized for the Fund.

Capital share transactions for the Institutional Shares resulted from purchases and sales by the affiliated fund-of-funds as well as other persons or legal entities that the Fund may approve from time to time. Capital share transactions for all classes were as follows, in thousands:

	Year Ended July 31, 2019		Year Ended July 31, 2018	
	Shares	Amount	Shares	Amount
Fund Shares:				
Shares sold	4,818	$ 93,141	4,993	$ 99,734
Shares issued from reinvested dividends	6,925	128,119	6,350	125,905
Shares redeemed	(10,114)	(195,299)	(10,601)	(211,718)
Net increase from capital share transactions	1,629	$ 25,961	742	$ 13,921
Institutional Shares:				
Shares sold	11,479	$ 216,857	5,540	$ 110,461
Shares issued from reinvested dividends	4,705	86,971	4,281	84,794
Shares redeemed	(12,280)	(240,262)	(14,446)	(289,936)
Net increase (decrease) from capital share transactions	3,904	$ 63,566	(4,625)	$ (94,681)
R6 Shares:				
Shares sold	32	$ 625	374	$ 7,678
Shares issued from reinvested dividends	30	550	27	533
Shares redeemed	(83)	(1,609)	(46)	(911)
Net increase (decrease) from capital share transactions	(21)	$ (434)	355	$ 7,300

(8) TRANSACTIONS WITH MANAGER

Management fees – The Manager provides investment management services to the Fund pursuant to an Advisory Agreement. Effective July 1, 2019, the Trust relies 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.

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 0.50% of the Fund's average daily net assets.

The performance adjustment is calculated separately for each share class on a monthly basis by comparing each class' performance over the performance period to that of the Lipper Equity Income Funds Index. The Lipper Equity Income Funds Index tracks the total return performance of funds within the Lipper Equity Income Funds category.

The performance period for each share class consists of the current month plus the previous 35 months. The performance period for the R6 Shares commenced on December 1, 2016, and includes the performance of the Fund Shares for periods prior to December 1, 2016. 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]
+/– 100 to 400	+/– 4
+/– 401 to 700	+/– 5
+/– 701 and greater	+/– 6

[1]Based 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.

Each class' annual performance adjustment rate is multiplied by the average daily net assets of each respective class 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, each class will pay a positive performance fee adjustment for a performance period whenever the class outperforms the Lipper Equity Income Funds Index over that period, even if the class had overall negative returns during the performance period.

Under the investment advisory agreement with the Manager that took effect on July 1, 2019, no performance adjustments will be made for the period beginning July 1, 2019, through June 30, 2020. Only performance beginning as of July 1, 2019, and thereafter will be utilized in calculating future performance adjustments.

For the period from August 1, 2018 to June 30, 2019, the Fund incurred management fees, paid or payable to AMCO, of $12,656,000, which included a performance adjustment for the R6 Shares of less than $500. For the R6 Shares the performance adjustments was less than 0.01%. The Fund Shares and Institutional Shares did not incur any performance adjustment. For the period July 1, 2019 to July 31, 2019, the Fund incurred management fees, paid or payable to Victory Capital of $1,226,000, which included no performance adjustments.

Subadvisory arrangement(s) – Effective July 1, 2019, Victory Capital entered into a Subadvisory Agreement with Epoch Investment Partners, Inc. (Epoch), under which Epoch directs the investment and reinvestment of a portion of the Fund's assets (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 the subadviser fees. For the period July 1, 2019 to July 31, 2019, Victory Capital didn't incur any subadvisory fees with respect to the Fund, paid or payable to Epoch.

Prior to July 1, 2019, AMCO had entered into an Investment Subadvisory Agreement with Epoch, under which Epoch directed the investment and reinvestment of a portion of the Fund's assets (as allocated from time to time by the Manager). This arrangement provides monthly fees that are paid by AMCO.

AMCO (not the Fund) pays Epoch a subadvisory fee in the annual amount of 0.30% of the Fund's average daily net assets for the first $600 million of assets that Epoch manages, 0.20% on the next $900 million of assets, and 0.18% on assets over $1.5 billion that Epoch manages. For the period from August 1, 2018 to June 30, 2019, AMCO incurred subadvisory fees with respect to the Fund, paid or payable to Epoch of $2,637,000.

Administration and servicing fees – Effective July 1, 2019, Victory Capital is obligated on a continuous basis to provide administrative services to the Fund. 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 average daily net assets of the Fund Shares, 0.10% of average daily net assets of the Institutional Shares, and 0.05% of average daily net assets of the R6 Shares. For the period from August 1, 2018 to June 30, 2019, the Fund Shares, Institutional Shares, and R6 Shares incurred administration and servicing fees, paid or payable to AMCO, of $2,285,000, $997,000, and $5,000, respectively. For the period July 1, 2019 to July 31, 2019, the Fund Shares, Institutional Shares, and R6 Shares incurred administration and servicing fees, paid or payable to Victory Capital of $219,000, $98,000 and $1,000, respectively.

In addition to the services provided under its Administration and Servicing Agreement with the Fund, AMCO also provided certain compliance and legal services for the benefit of the Fund. The Board approved the reimbursement of a portion of these expenses incurred by AMCO.

Effective July 1, 2019, these services are covered under a Compliance Services Agreement between the Trust and Victory Capital. For the period from August 1, 2018 to June 30, 2019, the Fund reimbursed AMCO $9,000 for these compliance and legal services. For the period July 1, 2019 to July 31, 2019, the Fund's portion of fees paid to Victory Capital under the Compliance Service Agreement was $1,000. These expenses are included in the professional fees on the Fund's Statement of Operations.

Expense limitation – Effective July 1, 2019, the Manager has contractually agreed to waive its management fee and/or reimburse expenses so that the total annual operating expenses (excluding certain items such as interest, taxes and brokerage commissions) do not exceed 0.76% of the Fund Shares, 0.72% of the Institutional Shares and 0.65% of the R6 Shares, through at least June 30, 2021. The Manager is permitted 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 limits in effect at the time of: (a) the original waiver or expense reimbursement; or (b) the recoupment, after giving effect to the recoupment amount. The amount of any waivers or reimbursements and the amount of any recoupment is calculated without regard to the impact of any performance adjustment to the Fund's management fee. This waiver agreement may only be terminated by the Fund's Board of Trustees. Prior to July 1, 2019, AMCO agreed to limit the total annual operating expenses of the R6 Shares to 0.65%, respectively, of their average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and to reimburse the R6 Shares for all expenses in excess of those amounts. For the period from August 1, 2018 to June 30, 2019, the R6 Shares incurred reimbursable expenses from AMCO of $7,000. For the period July 1, 2019 to July 31, 2019, the R6 Shares incurred reimbursable expenses of $4,000, all of which was receivable from the Manager.

Transfer agent's fees – Victory Capital Transfer Agency, Inc. (VCTA), (formerly, USAA Shareholder Account Services (SAS)) provides transfer agency services to the Fund. VCTA, an affiliate of the Manager, provides transfer agent services to the Fund Shares based on an annual charge of $23 per shareholder account plus out-of-pocket expenses. VCTA pays a portion of these fees to certain intermediaries for administration and servicing of accounts that are held with such intermediaries. Transfer agent's fees for Institutional Shares and R6 Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.10% of the Institutional Shares' and 0.01% of the R6 Shares' average daily net assets, plus out-of-pocket expenses. For the year ended July 31, 2019, the Fund Shares, Institutional Shares, and R6 Shares incurred transfer agent's fees, paid or payable to VCTA, of $1,264,000, $1,095,000, and $1,000, respectively.

<u>Underwriting services</u> – Effective July 1, 2019, the Trust has an agreement with Victory Capital Advisers, Inc. (VCA), an affiliate of the Manager for exclusive underwriting and distribution of the Fund's shares on a continuing best effort basis. This agreement provides that VCA receive no fee or other compensation for such distribution services. Prior to July 1, 2019, USAA Investment Management Company (IMCO) provided exclusive underwriting and distribution of the Fund's shares on a continuing best-efforts basis and received no fee or other compensation for these services.

(9) TRANSACTIONS WITH AFFILIATES

The Fund offers its Institutional Shares for investment by other affiliated Funds in which the affiliated fund-of-funds invest. The fund-of-funds do not invest in the underlying affiliated funds for the purpose of exercising management or control, and the affiliated fund-of-funds' annual or semiannual reports may be viewed at usaa.com. As of July 31, 2019, the fund-of-funds owned the following percentages of the total outstanding shares of the Fund:

Affiliated USAA Fund	Ownership %
Cornerstone Conservative	0.1
Cornerstone Equity	0.3
Target Retirement Income	0.1
Target Retirement 2020	0.2
Target Retirement 2030	0.8
Target Retirement 2040	1.0
Target Retirement 2050	0.6
Target Retirement 2060	0.1

Effective July 1, 2019, Victory Capital replaced AMCO as the Fund's investment adviser and began managing the Fund. Prior to July 1, 2019, AMCO was 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.

(10) 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. The Manager has determined there is no significant impact on the Fund's financial statements and various filings.

(11) 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.

FINANCIAL HIGHLIGHTS

FUND SHARES

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

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 20.24	$ 19.68	$ 18.18	$ 17.79	$ 17.72
Income from investment operations:					
Net investment income	.43	.40	.42	.40	.44
Net realized and unrealized gain	.70	1.74	1.51	.97	.51
Total from investment operations	1.13	2.14	1.93	1.37	.95
Less distributions from:					
Net investment income	(.44)	(.40)	(.43)	(.40)	(.46)
Realized capital gains	(1.15)	(1.18)	–	(.58)	(.42)
Total distributions	(1.59)	(1.58)	(.43)	(.98)	(.88)
Net asset value at end of period	$ 19.78	$ 20.24	$ 19.68	$ 18.18	$ 17.79
Total return (%)*	6.26	11.16	10.71	8.29	5.36
Net assets at end of period (000)	$1,707,034	$1,713,558	$1,651,374	$1,564,900	$1,657,268
Ratios to average daily net assets:**					
Expenses (%)[a]	.75[d]	.76[b]	.77[b]	.80[b]	.79[b]
Expenses, excluding reimbursements (%)[a]	.75	.76[b]	.77[b]	.80[b]	.79[b]
Net investment income (%)	2.44	2.19	2.24	2.42	2.38
Portfolio turnover (%)	86[c]	23	23	19	12

* 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 July 31, 2019, average daily net assets were $1,669,245,000.

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

(b) Reflects total annual operating expenses of the Fund Shares before reductions of any expenses paid indirectly. The Fund Shares' expenses paid indirectly decreased the expense ratio by less than 0.01%.

(c) Reflects increased trading activity due to current year transition or asset allocation shift.

(d) Effective July, 1, 2019, the Manager has voluntarily agreed to limit the annual expenses of the Fund Shares to 0.76% of the Fund Shares' average daily net assets.

INSTITUTIONAL SHARES

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

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 20.22	$ 19.66	$ 18.16	$ 17.77	$ 17.71
Income from investment operations:					
Net investment income	.43	.41	.43	.40	.45
Net realized and unrealized gain	.70	1.73	1.50	.98	.50
Total from investment operations	1.13	2.14	1.93	1.38	.95
Less distributions from:					
Net investment income	(.44)	(.40)	(.43)	(.41)	(.47)
Realized capital gains	(1.15)	(1.18)	–	(.58)	(.42)
Total distributions	(1.59)	(1.58)	(.43)	(.99)	(.89)
Net asset value at end of period	$ 19.76	$ 20.22	$ 19.66	$ 18.16	$ 17.77
Total return (%)*	6.30	11.21	10.76	8.36	5.37
Net assets at end of period (000)	$1,088,446	$1,034,842	$1,097,164	$1,158,385	$1,080,528
Ratios to average daily net assets:**					
Expenses (%)(a)	.73(d)	.72(b)	.73(b)	.75(b)	.73(b)
Expenses, excluding reimbursements (%)(a)	.73	.72(b)	.73(b)	.75(b)	.73(b)
Net investment income (%)	2.47	2.22	2.30	2.47	2.45
Portfolio turnover (%)	86(c)	23	23	19	12

* 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 July 31, 2019, average daily net assets were $1,095,233,000.

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

(b) Reflects total annual operating expenses of the Institutional Shares before reductions of any expenses paid indirectly. The Institutional Shares' expenses paid indirectly decreased the expense ratios by less than 0.01%.

(c) Reflects increased trading activity due to current year transition or asset allocation shift.

(d) Effective July, 1, 2019, the Manager has voluntarily agreed to limit the annual expenses of the Institutional Shares to 0.72% of the Institutional Shares' average daily net assets.

R6 SHARES

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

	Year Ended July 31,		Period Ended July 31,
	2019	2018	2017***
Net asset value at beginning of period	$ 20.23	$ 19.67	$18.17
Income from investment operations:			
Net investment income	.45	.47	.27
Net realized and unrealized gain	.69	1.69	1.60
Total from investment operations	1.14	2.16	1.87
Less distributions from:			
Net investment income	(.45)	(.42)	(.37)
Realized capital gains	(1.15)	(1.18)	–
Total distributions	(1.60)	(1.60)	(.37)
Net asset value at end of period	$ 19.77	$ 20.23	$19.67
Total return (%)*	6.37	11.31	10.36
Net assets at end of period (000)	$12,038	$12,746	$5,412
Ratios to average daily net assets:**			
Expenses (%)[a]	.65[e]	.65[b]	.65[b],[c]
Expenses, excluding reimbursements (%)[a]	.73	.90[b]	1.24[b],[c]
Net investment income (%)	2.54	2.33	2.13[c]
Portfolio turnover (%)	86[d]	23	23

* 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 July 31, 2019, average daily net assets were $12,046,000.

*** R6 Shares commenced operations on December 1, 2016.

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

(b) Reflects total annual operating expenses of the R6 Shares before reductions of any expenses paid indirectly. The R6 Shares' expenses paid indirectly decreased the expense ratios by less than 0.01%

(c) Annualized. The ratio is not necessarily indicative of 12 months of operations.

(d) Reflects increased trading activity due to current year transition or asset allocation shift.

(e) Effective July 1, 2019 the Manager has voluntarily agreed to limit the annual expenses of the R6 Shares to 0.65% of the R6 Shares' average daily net assets.

EXPENSE EXAMPLE

July 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 February 1, 2019, through July 31, 2019.

ACTUAL EXPENSES

The line labeled "actual" under each share class 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 for your share class 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" under each share class in the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios for each class 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 February 1, 2019	Ending Account Value July 31, 2019	Expenses Paid During Period* February 1, 2019 – July 31, 2019
Fund Shares			
Actual	$1,000.00	$1,080.20	$3.87
Hypothetical (5% return before expenses)	1,000.00	1,021.08	3.76
Institutional Shares			
Actual	1,000.00	1,080.40**	3.77**
Hypothetical (5% return before expenses)	1,000.00	1,021.17**	3.66**
R6 Shares			
Actual	1,000.00	1,080.80	3.35
Hypothetical (5% return before expenses)	1,000.00	1,021.57	3.26

*Expenses are equal to the annualized expense ratio of 0.75% for Fund Shares, 0.73% for Institutional Shares, and 0.65% for R6 Shares, which are net of any reimbursements and expenses paid indirectly, multiplied by the average account value over the period, multiplied by 181 days/365 days (to reflect the one-half-year period). The Fund's actual ending account values are based on its actual total returns of 8.02% for Fund Shares, 8.04% for Institutional Shares, and 8.08% for R6 Shares for the six-month period of February 1, 2019, through July 31, 2019.

**The Fund's annualized expense ratio of 0.73% for Institutional Shares above reflects a change effective July 1, 2019, to implement the Manager's expense limitation of 0.72% for the Institutional Shares's average annual net assets. Had the expense limitation of 0.72% for the Institutional Shares, which is net of expenses paid indirectly, been in effect for the entire six-month period of February 1, 2019, through July 31, 2019, the values in the table above would be as shown below.

	Beginning Account Value February 1, 2019	Ending Account Value July 31, 2019	Expenses Paid During Period* February 1, 2019 – July 31, 2019
Institutional Shares			
Actual	$1,000.00	$1,080.40	$3.71
Hypothetical (5% return before expenses)	1,000.00	1,021.22	3.61

ADVISORY AGREEMENT(S)

(between the Trust and Victory Capital Management Inc.)

July 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.

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 Funds[1] as well as the USAA's Global Multi-Asset team servicing the Cornerstone Funds[2], Target Retirement Funds[3], 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.
- 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

[1]The 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.

[2]The 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.

[3]The 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.

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 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 Funds[4], 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.

[4]The 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.

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.

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.

ADVISORY AGREEMENT(S)

(between the Trust and AMCO)

July 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.

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 AMCO and the Subadvisory Agreement between AMCO and Epoch Investment Partners, 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 AMCO 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 AMCO's revenues and

[1]At 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"). Effective July 1, 2019, upon the closing of the transaction whereby AMCO acquired by Victory Capital Holdings, Inc., the parent company of Victory Capital, the Advisory Agreement between the Trust and AMCO and the Sub-advisory Agreement with the Subadviser terminated and the new investment advisory agreement between the Trust and Victory Capital went into effect. The factors the Board considered in approving the new investment advisory agreement with Victory Capital are discussed above. Effective June 30, 2019, the Subadviser no longer manages any portion of the Fund.

costs of providing services to the Fund and compensation paid to affiliates of AMCO; and (iii) information about AMCO's and the 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 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 AMCO 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 AMCO 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 AMCO's profitability with respect to the Fund. However, the Board noted that the evaluation process with respect to AMCO 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 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 AMCO under the Advisory Agreement, the Board reviewed information provided by AMCO relating to its operations and personnel. The Board also took into account its knowledge of AMCO's management and the quality of the performance of AMCO's duties through Board meetings, discussions, and reports during the preceding year. The Board considered the fees paid to AMCO and the services provided to the Fund by AMCO under the Advisory Agreement, as well as other services provided by AMCO and its affiliates under other agreements, and the personnel who provide these services. In addition to the investment advisory services provided to the Fund, AMCO 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 AMCO in connection with the services provided to the Fund, including investment, operational, enterprise, litigation, regulatory and compliance risks.

The Board considered the level and depth of experience of AMCO, including the professional experience and qualifications of its senior and investment personnel, as well as current staffing levels. The Board considered AMCO's process for monitoring the performance of the Subadviser and AMCO's timeliness in responding to performance issues. The allocation of the Fund's brokerage, including AMCO's process for monitoring "best execution" and the utilization of "soft dollars," also was considered.

AMCO's role in coordinating the activities of the Fund's other service providers also was considered. The Board also considered AMCO's risk management processes. The Board considered AMCO'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 AMCO 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 AMCO and its affiliates, including AMCO's 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 AMCO'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 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 took into account the various services provided to the Fund by AMCO and its affiliates, including the high quality of services received by the Fund from AMCO. The Board also noted the level and method of computing the management fee. The Board also took into account that the subadvisory fee under the Subadvisory Agreement is paid by AMCO. The Board also considered and discussed information about the Subadviser's fee, including the amount of management fees retained by AMCO 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, and five-year periods ended December 31, 2018, and was above the average of its performance universe and below its Lipper index for the ten-year period ended December 31, 2018.

The Board also noted that the Fund's percentile performance ranking was in the top 35% of its performance universe for the one- and three-year periods ended December 31, 2018, was in the top 40% of its performance universe for the five-year period ended December 31, 2018, and was in the bottom 50% of its performance universe for the ten-year period ended December 31, 2018.

Compensation and Profitability – The Board took into consideration the level and method of computing the management fee. The information considered by the Board included operating profit margin information for AMCO'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 AMCO pays the subadvisory fees. The Trustees reviewed the profitability of AMCO'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 AMCO, the Board also considered the fact that AMCO and its 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 AMCO from its relationship with the Trust, including that AMCO may derive reputational and other benefits from its association with the Fund. The Trustees recognized that AMCO 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 discussion of the current advisory fee structure. The Board also considered that AMCO pays the Fund's subadvisory fees. The Board also considered the effect of the Fund's growth and size on its performance and fees, noting that the Fund may realize additional 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 AMCO, among others: (i) AMCO has demonstrated that it possesses the capability and resources to perform the duties required of it under the Advisory Agreement; (ii) AMCO maintains an appropriate compliance program; (iii) the performance of the Fund is reasonable in relation to the performance of funds with similar investment objectives 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 AMCO; and (v) AMCO's 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 AMCO and the type of fund. Based on its conclusions, the Board determined that the 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. 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 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 considered, based on the materials provided to them by the Subadviser, whether the method of compensating portfolio managers is reasonable and includes mechanisms to prevent a manager with underperformance from taking undue risks. 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 AMCO's monitoring processes of the Subadviser include: (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 AMCO. The Trustees also relied on the ability of AMCO 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 Performance – The Board compared the subadvisory fees for the Fund with the fees that the Subadviser charges to comparable clients, as applicable. The Board considered that the Fund pays a management fee to AMCO and that, in turn, AMCO pays subadvisory fees to the Subadviser. As noted above, the Board considered 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 noted AMCO's experience and resources in monitoring the performance, investment style, and risk-adjusted performance of the Subadviser. The Board was mindful of AMCO's focus on the Subadviser's performance. The Board also noted the Subadviser's performance record for similar accounts, as applicable.

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 similar investment objectives 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 AMCO 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 of 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), (08/11–06/19); Director of USAA Investment Management Company (IMCO) (09/09–present); Chairman of Board of IMCO (4/13–present); President and Director of USAA Shareholder Account Services (SAS) (10/09–06/19); Senior Vice President of USAA Financial Planning Services Insurance Agency, Inc. (FPS) (04/11–present); Director and Vice Chairman of FPS (12/13–present); President and Director of USAA Investment Corporation (ICORP) (03/10–present); Chairman of Board of ICORP (12/31–present); Director of USAA Financial Advisors, Inc. (FAI) (12/13–present); Chairman of Board of FAI (3/15–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

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.

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.

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 was 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

Executive Director, Victory Capital Management Inc. (7/1/19–present); Treasurer, USAA ETF Trust (09/18–06/19); Executive Director, Investment and Financial Administration, USAA (04/12–06/30/19); 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

Director, Accounting and Finance, Victory Capital Management Inc. (7/1/19–present); Assistant Treasurer, USAA ETF Trust (09/18–06/19); Accounting/Financial Director, USAA (12/13–06/30/19).

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).

Copies of the Victory Capital Management Inc.'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.**

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