USAA®

MUTUAL FUNDS

May 31, 2019

Annual Report

USAA Emerging Markets Fund

Fund Shares	Institutional Shares	Adviser Shares
USEMX	UIEMX	UAEMX

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

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

July 2019

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

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

Signs of trouble emerged during the summer of 2018. The U.S. economic expansion continued, but growth in a number of other economies, including some European countries and China, showed a weakening trend. By the autumn of 2018, investors' fears of a global economic slowdown, combined with harsh U.S.-China trade rhetoric and Brexit-related uncertainty in Europe, sparked a surge in market volatility. Global stocks dropped, with most of the decline occurring in December 2018. At the same time, intermediate- and longer-term yields fell, as investors anticipated a change in Fed monetary policy. Indeed, after having raised short-term interest rates four times during 2018, Fed officials announced in January 2019 that they would "pause," retreating from their earlier plan to raise interest rates in 2019. Stocks rallied in response and by April 2019 had recovered most of the ground they had lost. In May 2019, ongoing trade tensions between the United States and China, as well as President Trump administration's threat to impose tariffs on Mexico, drove a renewed decline in stock prices. In the fixed income market, concerns that trade disputes would seriously undermine global economic growth pushed down intermediate- and longer-term yields, which ended the reporting period lower than they started. The yield on the 10-year U.S. Treasury note, which began June 2018 at 2.89%, rose to 3.24% on November 8, 2018—its high point of the period—and fell to 2.13% by May 31, 2019.

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

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

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

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

Sincerely,

Brooks Englehardt
President

TABLE OF CONTENTS

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

IRA DISTRIBUTION WITHHOLDING DISCLOSURE

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

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

For more specific information, please consult your tax adviser.

MANAGERS' COMMENTARY ON THE FUND

Lazard Asset Management LLC
Jai Jacob
James M. Donald, CFA
Kevin O'Hare, CFA
Stephen Marra, CFA

Victory Capital Management Inc.
Margaret Lindsay
Tiffany Kuo, CFA
Joshua Lindland, CFA

Brandes Investment Partners, L.P.
***Douglas C. Edman**, CFA
Christopher J. Garrett, CFA
Louis Y. Lau, CFA
Mauricio Abadia
Gerardo Zamorano, CFA

- **Please characterize the performance of emerging markets during the 12-month reporting period ended May 31, 2019.**

During the reporting period, emerging market stocks experienced significant weakness, caused in part by the continuing strength of the U.S. dollar. Uncertainty regarding the future trade relationship between the United States and China also weighed on sentiment, as the period saw increasingly protectionist rhetoric and tariff increases. Eastern European and Latin American stocks generally reported positive performance for the period, while Asian stocks registered negative performance. In terms of individual countries, stocks in Turkey were hurt by the strong U.S. dollar and the unwillingness of Turkey's central bank to raise interest rates. Russian equities rose as crude oil prices recovered and Russia's economy strengthened. South African stocks were negatively impacted by strength in the U.S. dollar and a lackluster local economy. Within Latin America, the election of the conservative politician Jair Bolsonaro helped the Brazilian market rally, while the Mexican market fell during the reporting period, as decisions

*Effective December 31, 2018, Douglas C. Edman retired.

implemented by the new president were perceived as unfriendly to business interests. In India, Prime Minister Modi's overwhelming reelection supported stock performance. In Asia, trade issues pressured currencies and markets during the second half of the reporting period, most notably in China but also in Korea and Taiwan, which were negatively affected by weakness in semiconductor prices. In terms of market sectors, energy, financials, and utilities stocks led performance, while communication services, consumer discretionary, information technology, and health care issues significantly lagged the benchmark.

How did the USAA Emerging Markets Fund (the "Fund") perform during the reporting period?

The Fund has three share classes: Fund Shares, Institutional Shares, and Adviser Shares. For the reporting period ended May 31, 2019, the Fund Shares, Institutional Shares, and Adviser Shares had total returns of –7.86%, –7.64%, and –8.07%, respectively. This compares to returns of –8.70% for the MSCI Emerging Markets Index and –7.37% for the Lipper Emerging Markets Fund Index.

Effective July 1, 2019, Victory Capital serves as the Fund's investment adviser. Prior to July 1, 2019, AMCO served as the Fund's investment adviser. As the investment adviser, AMCO employs dedicated resources to support the research, selection, and monitoring of the Fund's subadvisers. Brandes Investment Partners L.P. ("Brandes"), Lazard Asset Management LLC ("Lazard"), and Victory Capital are subadvisers to the Fund. The subadvisers each provide day-to-day discretionary management for a portion of the Fund's assets.

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

Refer to page 5 for benchmark definitions.

Past performance is no guarantee of future results.

How did Brandes' portion of the Fund perform?

For the reporting period, Brandes' portion of the Fund outperformed the benchmark. Holdings in the oil, gas & consumable fuels, wireless telecommunication services, and food & staples retailing industries contributed to relative return. A lack of exposure to the interactive media & services industry also added to performance. Conversely, holdings in multi-line retail, IT services, and construction materials detracted from the Fund's performance. From a country perspective, Brandes' performance benefited from stock selection in Russia, South Korea, and Indonesia, as well as a significant underweight position in China and an overweight position in Brazil. Allocations to Turkey, India, and Hong Kong weighed on performance. At a company level, top contributors included Brazilian oil and gas company Petroleo Brasileiro S.A. Preference Shares, Russian oil and gas company Gazprom PJSC, Bank Rakyat Indonesia (Persero) Tbk PT, and Chinese apparel manufacturer Bosideng International Holdings Ltd.* Individual detractors included Hong Kong-based retailer Lifestyle International Holdings Ltd., Mexican building materials company Cemex S.A.B. de C.V. ADR, and Turkish real estate developer Emlak Konut Gayrimenkul Yatirim Ortakligi A.S.

How did Lazard's portion of the Fund perform?

For the reporting period, Lazard's portion of the Fund outperformed the benchmark. On a sector basis, stock selection within the communication services, consumer discretionary, consumer staples, and financials sectors contributed to performance, as did underweight position in the to consumer discretionary and health care sectors. Conversely, stock selection within the health care, information technology, and materials sectors, as well as an overweight position in the information technology sectors, detracted from returns. On a country basis, stock selection in China, India, Indonesia, and Korea, added value, along with an

*Bosideng International Holdings Ltd. was sold out of the Fund prior to May 31, 2019.

overweight positions in Russia. In contrast, stock selection in Russia and Taiwan detracted from the Fund's performance during the reporting period, as did an underweight to Qatar, overweight positions in Turkey and Argentina, and non-benchmark holdings in Canada.

How did Victory Capital's portion of the Fund perform?

During the reporting period, Victory Capital's portion of the Fund underperformed the benchmark. By sector, positioning in the technology services and consumer durables sectors contributed most to relative return, while holdings in the electronic technology, non-energy minerals, and utilities sectors lagged. On a regional basis, relative performance was strongest within Latin America and Africa, most notably selections in Brazil, Argentina, and South Africa. The Fund's positioning within India, South Korea, Taiwan, and Thailand weighed most heavily on performance. On an individual stock level, positive contributions to relative performance were led by Linx S.A., a retail software manager in Brazil, and Yihai International Holding Ltd., a condiments maker in Hong Kong. The largest individual detractor from the Fund's performance was the Indian lingerie manufacturer Ashapura Intimates Fashion Ltd.* Other notable detractors included Samwha Capacitor*, a semiconductor component manufacturer, and Matahari Department Store*, which operates in Indonesia.

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

*Ashapura Intimates Fashion Ltd, Samwha Capacitor, and Matahari Department Store were sold out of the Fund prior to May 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.

INVESTMENT OVERVIEW

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

	1 Year	5 Year	10 Year	Since Inception*	Inception Date
Fund Shares	–7.86%	–0.16%	2.95%	–	–
Institutional Shares	–7.64%	0.07%	3.25%		
Adviser Shares	–8.07%	–0.38%	–	–0.33%	8/01/10
MSCI Emerging Markets Index** (reflects no deduction for fees, expenses, or taxes)	–8.70%	1.79%	5.03%	–	–
Lipper Emerging Markets Funds Index*** (reflects no deduction for fees, expenses, or taxes)	–7.37%	1.83%	5.57%	–	–

*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.

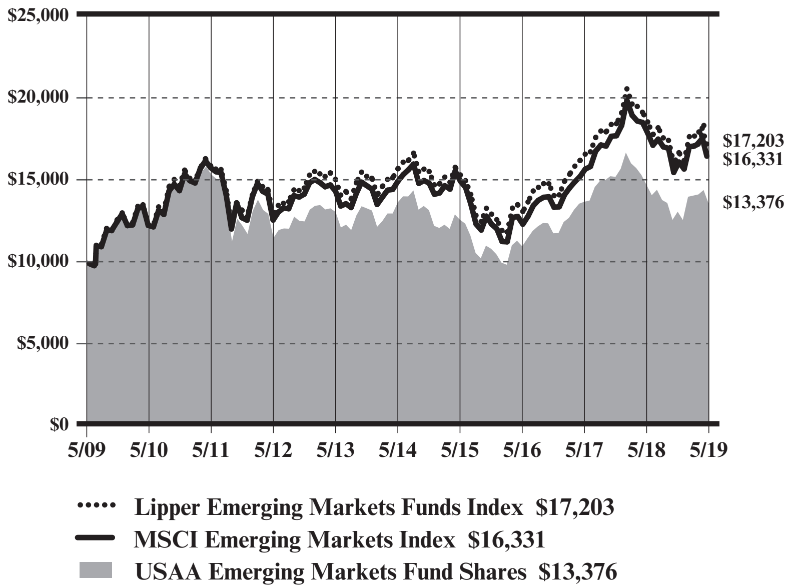
**The unmanaged MSCI Emerging Markets Index is a free-float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

***The unmanaged Lipper Emerging Markets Funds Index tracks the total return performance of the Lipper Emerging Markets 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.

CUMULATIVE PERFORMANCE COMPARISON



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

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

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

TOP 10 INDUSTRIES – 5/31/19

(% of Net Assets)

Banks	18.8%
Semiconductors	7.7%
Internet	6.4%
Oil & Gas	6.0%
Software	5.4%
Telecommunications	5.0%
Commercial Services	3.0%
Building Materials	2.0%
Insurance	1.9%
Engineering & Construction	1.9%

TOP 10 EQUITY HOLDINGS – 5/31/19

(% of Net Assets)

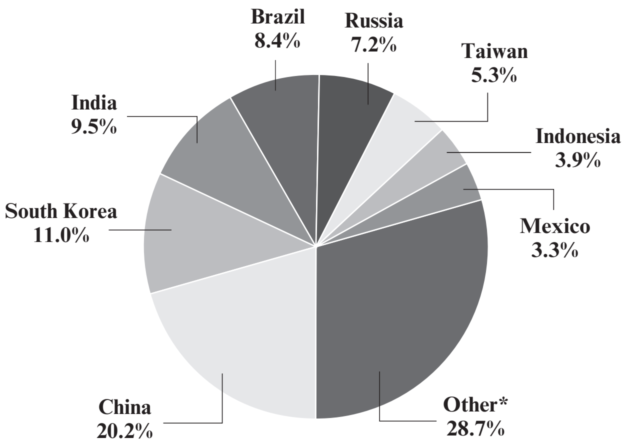
iShares MSCI Emerging Markets ETF	4.5%
Samsung Electronics Co. Ltd.	3.1%
NetEase, Inc. ADR	2.7%
Sberbank of Russia PJSC	2.4%
ICICI Bank Ltd. ADR	1.9%
China Construction Bank Corp. “H”	1.9%
Axis Bank Ltd. GDR	1.7%
Ping An Insurance Group Co. of China Ltd. “H”	1.7%
Bank Rakyat Indonesia (Persero) Tbk PT	1.5%
Alibaba Group Holding Ltd. ADR	1.4%

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 Fund’s compliance classification.

COUNTRY ALLOCATION – 5/31/19

(% of Net Assets)



*Includes countries with less than 3.0% of portfolio, money market instruments and short-term investment purchased with cash collateral from securities loaned.

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

SHAREHOLDER VOTING RESULTS

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

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

PROPOSAL 1

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

Number of shares voting		
For	Against	Abstain
40,182,344	1,256,829	819,116

PROPOSAL 2

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

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

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

Foreign Taxes Paid[1]	Foreign Source Income	Qualified Interest Income
$2,440,000	$24,073,000	$258,000

[1] The Fund has elected under Section 853 of the Internal Revenue Code to pass through the credit for taxes paid in foreign countries.

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of USAA Emerging Markets Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of USAA Emerging Markets Fund (the "Fund") (one of the funds constituting USAA Mutual Funds Trust (the "Trust")), including the portfolio of investments, as of May 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting USAA Mutual Funds Trust) at May 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 2019, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

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

San Antonio, Texas
July 23, 2019

PORTFOLIO OF INVESTMENTS

May 31, 2019

Number of Shares	Security	Market Value (000)
	EQUITY SECURITIES (88.9%)	
	COMMON STOCKS (82.6%)	
	Basic Materials (1.2%)	
	Iron/Steel (0.2%)	
10,859	POSCO[a]	$ 2,157
	Mining (1.0%)	
532,424	First Quantum Minerals Ltd.	3,876
1,222,500	Grupo Mexico S.A.B. de C.V. "B"	3,044
85,306	NAC Kazatomprom JSC GDR[b],[c]	1,301
		8,221
	Total Basic Materials	10,378
	Communications (11.3%)	
	Internet (6.4%)	
77,667	Alibaba Group Holding Ltd. ADR[c]	11,593
93,200	Autohome, Inc. ADR[c]	8,006
48,219	Baidu, Inc. ADR[c]	5,304
18,133	NCSoft Corp.[a]	7,256
261,500	Tencent Holdings Ltd.[a]	10,845
279,300	Yandex N.V. "A"[c]	10,032
		53,036
	Telecommunications (4.9%)	
255,636	America Movil S.A.B. de C.V. ADR "L"	3,586
446,600	China Mobile Ltd.[a]	3,899
130,070	China Mobile Ltd. ADR	5,700
137,607	Empresa Nacional de Telecomunicaciones S.A.	1,313
54,696	Hellenic Telecommunications Organization S.A.[a]	748
874,804	Magyar Telekom Telecommunications plc[a]	1,250
338,294	Megacable Holdings S.A.B. de C.V.	1,396
662,500	Mobile TeleSystems PJSC ADR	5,181
568,486	Mobile TeleSystems PJSC[b]	2,226
4,950,200	Oi S.A.[c]	1,854
124,570	PLDT, Inc. ADR	3,152
222,932	Sistema PJSCFC GDR[d]	613
57,300	Telefonica Brasil S.A. Preference Shares	702

Number of Shares	Security	Market Value (000)
220,200	Telekomunikasi Indonesia (Persero) Tbk PT ADR	$ 5,939
17,716,562	XL Axiata Tbk PT[a],[c]	3,546
		41,105
	Total Communications	94,141
	Consumer, Cyclical (4.8%)	
	Airlines (0.3%)	
26,908	Copa Holdings S.A. "A"	2,411
	Apparel (0.4%)	
127,000	Eclat Textile Co. Ltd.[a]	1,639
43,388	Handsome Co. Ltd.[a]	1,492
		3,131
	Auto Manufacturers (0.5%)	
2,508,000	Dongfeng Motor Group Co. Ltd. "H"[a]	2,062
73,331	Kia Motors Corp.[a]	2,419
		4,481
	Auto Parts & Equipment (1.1%)	
27,800	China Yuchai International Ltd.	387
49,256	Hyundai Mobis Co. Ltd.[a]	8,957
		9,344
	Entertainment (0.2%)	
2,147,800	Major Cineplex Group PCL NVDR[a]	1,954
	Leisure Time (0.7%)	
143,617	Bajaj Auto Ltd.[a]	6,022
	Lodging (0.3%)	
1,872,900	Genting Berhad[a]	2,855
	Retail (1.2%)	
973,000	Lifestyle International Holdings Ltd.[a]	1,422
481,000	Luk Fook Holdings International Ltd.[a]	1,541
164,000	Poya International Co. Ltd.[a]	1,933
720,500	Shanghai Pharmaceuticals Holding Co. Ltd. "H"[a]	1,420
8,004	Shinsegae International, Inc.[a]	1,786
4,722,700	Wilcon Depot, Inc.[a]	1,537
		9,639
	Textiles (0.1%)	
1,769,000	Weiqiao Textile Co. "H"[a]	618
	Total Consumer, Cyclical	40,455

Number of Shares	Security	Market Value (000)
	Consumer, Non-cyclical (9.0%)	
	Agriculture (1.0%)	
329,169	Adecoagro S.A.[c]	$ 2,189
24,615	Astral Foods Ltd.[a]	280
74,313	KT&G Corp.[a]	6,298
		8,767
	Beverages (1.7%)	
973,100	Ambev S.A. ADR	4,350
109,910	Distell Group Holdings Ltd.[a]	967
9,790	Lotte Chilsung Beverage Co. Ltd.[a]	1,406
435,294	Radico Khaitan Ltd.[a]	2,107
349,095	Wuliangye Yibin Co. Ltd. "A"[a]	5,101
		13,931
	Biotechnology (0.2%)	
32,089	OliX Pharmaceuticals, Inc.[a],[c]	1,571
	Commercial Services (3.0%)	
1,640,420	CCR S.A.	5,590
485,500	Cielo S.A.	829
1,497,565	Cielo S.A. ADR	2,306
373,000	Estacio Participacoes S.A.	2,800
2,808,000	Huifu Payment Ltd.[a],[c],[e],[f]	1,482
1,846,209	ITE Group plc[a]	1,832
516,700	Kroton Educacional S.A.	1,362
221,900	Localiza Rent a Car S.A.	2,151
684,281	Prosegur Cash S.A.[a],[e]	1,284
89,079	QIWI plc ADR	1,498
13,833	S-1 Corp.[a]	1,113
134,125	StoneCo Ltd. "A"[c]	3,380
		25,627
	Food (1.4%)	
8,047	Binggrae Co. Ltd.[a]	489
86,425	Cia Brasileira de Distribuicao Preference Shares	1,921
186,196	Cosan Ltd. "A"	2,352
3,428,000	First Pacific Co. Ltd.[a]	1,387
821,494	Marfrig Global Foods S.A.[c]	1,430
60,939	X5 Retail Group N.V. GDR[a]	1,791
16,139	X5 Retail Group N.V. GDR	475
354,000	Yihai International Holding Ltd.[a]	1,738
		11,583

Number of Shares	Security	Market Value (000)
	Healthcare-Services (0.3%)	
2,595,000	Genertec Universal Medical Group Co. Ltd.[(a)]	$ 1,964
105,400	Hapvida Participacoes e Investimentos S.A.	988
		2,952
	Household Products/Wares (0.6%)	
2,671,000	Kimberly-Clark de Mexico S.A.B. de C.V. "A"[(c)]	4,817
	Pharmaceuticals (0.8%)	
1,673,000	China Animal Healthcare Ltd.[(b),(c),(d),(g)]	56
1,818,000	Lee's Pharmaceutical Holdings Ltd.[(a)]	1,199
37,279	NeoPharm Co. Ltd.[(a)]	1,597
383,055	Suven Life Sciences Ltd.[(a)]	1,497
132,447	TCI Co. Ltd.[(a)]	2,094
		6,443
	Total Consumer, Non-cyclical	75,691
	Diversified (0.7%)	
	Holding Companies-Diversified (0.7%)	
399,380	KOC Holding A.S. ADR	5,472
	Energy (6.6%)	
	Coal (0.7%)	
3,059,500	China Shenhua Energy Co. Ltd. "H"[(a)]	6,271
	Oil & Gas (5.7%)	
4,133,000	CNOOC Ltd.[(a)]	6,719
955,068	Gazprom PJSC ADR[(a)]	6,242
233,100	Gazprom PJSC ADR	1,515
69,954	Gazprom PJSC[(b)]	230
101,760	LUKOIL PJSC ADR	8,113
323,700	Petroleo Brasileiro S.A. Preference Shares	2,108
567,023	Reliance Industries Ltd.[(a)]	10,825
1,365,238	Vivo Energy plc[(a)]	2,180
641,026	YPF S.A. ADR	9,506
		47,438
	Oil & Gas Services (0.2%)	
10,244,000	Anton Oilfield Services Group[(a)]	1,301
	Total Energy	55,010
	Financial (23.3%)	
	Banks (18.8%)	
102,864	Absa Group Ltd.[(a)]	1,192
963,823	Akbank T.A.S.[(a),(c)]	987

Number of Shares	Security	Market Value (000)
247,978	Axis Bank Ltd. GDR[a],[c]	$ 14,370
863,432	Banco Bradesco S.A. ADR	8,082
679,833	Banco del Bajio S.A.	1,314
777,795	Banco do Brasil S.A.	10,278
242,976	Bancolombia S.A. ADR	11,413
197,100	Bangkok Bank PCL NVDR[a]	1,224
14,907,290	Bank Mandiri (Persero) Tbk PT[a]	8,001
44,466,500	Bank Rakyat Indonesia (Persero) Tbk PT[a]	12,758
11,343,500	Bank Tabungan Pensiunan Nasional Syariah Tbk PT[a],[c]	2,265
281,733	BRAC Bank Ltd.[a],[c],[d]	215
19,679,000	China Construction Bank Corp. “H”[a]	15,528
590,500	China Merchants Bank Co. Ltd. “H”[a]	2,834
1,210,142	Commercial International Bank Egypt SAE GDR[a]	4,889
42,893	Erste Group Bank AG[a],[c]	1,520
213,218	Grupo Aval Acciones y Valores S.A. ADR	1,478
1,817,902	Grupo Aval Acciones y Valores S.A. Preference Shares	632
286,625	Grupo Supervielle S.A. ADR[f]	1,674
1,362,520	ICICI Bank Ltd. ADR	16,350
212,799	Nova Ljubljanska Banka dd GDR[b],[c],[e]	2,900
13,322	Nova Ljubljanska Banka dd GDR[a],[c]	182
149,617	OTP Bank Nyrt[a]	6,243
167,725	RBL Bank Ltd.[a]	1,653
5,589,642	Sberbank of Russia PJSC[b]	19,911
420,600	Siam Commercial Bank PCL[b]	1,722
466,422	Standard Bank Group Ltd.[a]	6,356
54,811	TBC Bank Group plc[a]	1,126
219,055	Turkiye Garanti Bankasi A.S.[a]	298
		157,395
	Diversified Financial Services (1.0%)	
366,920	Chailease Holding Co. Ltd.[a]	1,345
25,200	Pagseguro Digital Ltd. “A”[c]	807
175,028	Shinhan Financial Group Co. Ltd.[a]	6,534
		8,686
	Insurance (1.9%)	
246,401	Hanwha Life Insurance Co. Ltd.[a]	663
161,299	Korean Reinsurance Co.[a]	1,136
1,282,500	Ping An Insurance Group Co. of China Ltd. “H”[a]	14,119
		15,918
	Real Estate (0.7%)	
1,154,574	Corp. Inmobiliaria Vesta S.A.B. de C.V.	1,641
4,325,204	Emlak Konut Gayrimenkul Yatirim Ortakligi A.S.[a]	846

Number of Shares	Security	Market Value (000)
795,900	LPS Brasil Consultoria de Imoveis S.A.[c]	$ 821
19,426,800	Megaworld Corp.[a]	2,199
		5,507
	REITS (0.9%)	
2,045,994	Fibra Uno Administracion S.A. de C.V.	2,617
2,509,910	Macquarie Mexico Real Estate Management S.A. de C.V.[c],[e]	2,625
1,727,779	PLA Administradora Industria S de RL de C.V.	2,644
		7,886
	Total Financial	195,392
	Government (0.4%)	
	Multi-National (0.4%)	
157,861	Banco Latinoamericano de Comercio Exterior S.A. "E"	3,149
	Industrial (9.6%)	
	Aerospace/Defense (0.6%)	
268,184	Embraer S.A. ADR	5,157
	Building Materials (2.0%)	
951,000	Anhui Conch Cement Co. Ltd. "H"[a]	5,537
910,106	Cemex S.A.B. de C.V. ADR[c]	3,750
1,583,900	Duratex S.A.	4,254
1,878,525	Star Cement Ltd.[a]	3,246
1,496,390	Urbi Desarrollos Urbanos S.A.B. de C.V.[c]	75
		16,862
	Electronics (0.8%)	
202,516	Flex Ltd.[c]	1,811
818,181	Hon Hai Precision Industry Co. Ltd. GDR[a]	3,835
96,070	WiSoL Co. Ltd.[a]	1,416
		7,062
	Engineering & Construction (1.9%)	
9,628,538	China State Construction International Holdings Ltd.[a]	9,839
300,603	Gayatri Projects Ltd.[a],[c]	784
800,523	HG Infra Engineering Ltd.[a]	3,466
5,420,000	Jasmine Broadband Internet Infrastructure Fund[b]	1,746
		15,835
	Environmental Control (0.6%)	
1,469,930	Focused Photonics Hangzhou, Inc. "A"[a]	4,701
	Hand/Machine Tools (1.0%)	
1,294,500	Techtronic Industries Co. Ltd.[a]	8,231

Number of Shares	Security	Market Value (000)
	Machinery-Construction & Mining (0.1%)	
1,473,473	Ferreycorp SAA	$ 946
	Miscellaneous Manufacturers (1.6%)	
1,862,000	China Railway Signal & Communication Corp. Ltd. "H"[a]	1,222
49,406	Largan Precision Co. Ltd.[a]	5,861
43,114	POSCO Chemtech Co. Ltd.[a]	1,963
762,700	Zhuzhou CRRC Times Electric Co. Ltd. "H"[a]	4,104
		13,150
	Transportation (1.0%)	
4,449,353	KAP Industrial Holdings Ltd.[a]	2,112
346,231	ZTO Express (Cayman), Inc. ADR	6,246
		8,358
	Total Industrial	80,302
	Technology (14.9%)	
	Computers (1.8%)	
303,000	Asustek Computer, Inc.[a]	2,068
12,619	Globant S.A.[c]	1,172
341,200	Infosys Ltd. ADR	3,572
272,026	Tata Consultancy Services Ltd.[a]	8,586
		15,398
	Semiconductors (7.7%)	
690,000	MediaTek, Inc.[a]	6,755
723,222	Samsung Electronics Co. Ltd.[a]	25,673
135,999	Silicon Motion Technology Corp. ADR	5,183
201,301	SK Hynix, Inc.[a]	10,936
259,700	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	9,959
47,000	Taiwan Semiconductor Manufacturing Co. Ltd.[a]	348
37,332	Tokai Carbon Korea Co. Ltd.[a]	1,815
1,004,000	Vanguard International Semiconductor Corp.[a]	1,902
770,000	Visual Photonics Epitaxy Co. Ltd.[a]	1,798
		64,369
	Software (5.4%)	
17,296	11 bit studios S.A.[a],[c]	1,792
69,494	Arco Platform Ltd. "A"[c]	2,669
4,394,000	Chinasoft International Ltd.[a],[c],[f]	2,104
17,629	Com2uS Corp.[a]	1,442
217,900	HCL Technologies Ltd.[a]	3,408
1,154,000	IGG, Inc.[a]	1,364
612,597	Intellect Design Arena Ltd.[a],[c]	2,258
211,000	Linx S.A.	1,847

Number of Shares	Security	Market Value (000)
32,344	Momo, Inc. ADR	$ 892
803,500	NetDragon Websoft Holdings Ltd. "L"[(a)]	2,113
90,760	NetEase, Inc. ADR	22,564
116,712	Tech Mahindra Ltd.[(a)]	1,279
28,577	Webcash Corp.[(a)]	1,488
		45,220
	Total Technology	124,987
	Utilities (0.8%)	
	Electric (0.2%)	
561,200	AES Tiete Energia S.A.	1,642
	Water (0.6%)	
9,342,000	Beijing Enterprises Water Group Ltd.[(a),(c)]	4,958
	Total Utilities	6,600
	Total Common Stocks (cost: $586,497)	691,577
	EXCHANGE-TRADED FUNDS (5.4%)	
145,561	iShares Core MSCI Emerging Markets ETF	7,150
927,086	iShares MSCI Emerging Markets ETF	37,742
	Total Exchange-Traded Funds (cost: $44,403)	44,892
	PREFERRED STOCKS (0.7%)	
	Communications (0.1%)	
	Telecommunications (0.1%)	
94,263	Telefonica Brasil S.A. ADR	1,154
	Consumer, Cyclical (0.3%)	
	Auto Manufacturers (0.3%)	
31,301	Hyundai Motor Co. Preference Shares[(a)]	2,058
	Energy (0.3%)	
	Oil & Gas (0.3%)	
4,105,862	Surgutneftegas PJSC Preference Shares[(b)]	2,534
	Total Preferred Stocks (cost: $6,040)	5,746
	WARRANTS (0.2%)	
	Communications (0.2%)	
	Media (0.2%)	
799,380	China South Publishing & Media Group Co. Ltd.[(b),(c),(e)] (cost: $1,479)	1,504
	Total Equity Securities (cost: $638,419)	743,719

Number of Shares	Security	Market Value (000)
	MONEY MARKET INSTRUMENTS (8.3%)	
	GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (8.3%)	
69,371,149	State Street Institutional Treasury Money Market Fund Premier Class, 2.30%(h) (cost: $69,371)	$ 69,371
	SHORT-TERM INVESTMENT PURCHASED WITH CASH COLLATERAL FROM SECURITIES LOANED (0.3%)	
	GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (0.3%)	
2,782,065	HSBC U.S. Government Money Market Fund Class I, 2.33%(h)	2,782
	Total Short-Term Investment Purchased with Cash Collateral from Securities Loaned (cost: $2,782)	2,782
	Total Investments (cost: $710,572)	**$815,872**

Number of Contracts	Counterparty	Forward Currency Contracts	Settlement Date	Contract Value (000)	Unrealized Appreciation (Depreciation)
	CONTRACTS TO SELL (0.1%)				
11,704,819,000	State Street Bank and Trust	Indonesian Rupiah	6/10/19	$820	$(7)
	Receivable Amount ($813)			$820	$(7)

($ in 000s)	VALUATION HIERARCHY			
Assets	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**Total**
Equity Securities:				
Common Stocks	$276,500	$415,021	$56	$691,577
Exchange-Traded Funds	44,892	–	–	44,892
Preferred Stocks	1,154	4,592	–	5,746
Warrants	–	1,504	–	1,504
Money Market Instruments:				
Government & U.S. Treasury Money Market Funds	69,371	–	–	69,371
Short-Term Investment Purchased with Cash Collateral from Securities Loaned:				
Government & U.S. Treasury Money Market Funds	2,782	–	–	2,782
Total	$394,699	$421,117	$56	$815,872
Liabilities				
Forward Currency Contracts to Sell*	$ –	$ (7)	$ –	$ (7)

*Forward currency contracts are valued at the unrealized appreciation/(depreciation) of the contract.

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 Fund's compliance classification.

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

NOTES TO PORTFOLIO OF INVESTMENTS

May 31, 2019

GENERAL NOTES

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

The Portfolio of Investments category percentages shown represent the percentages of the investments to net assets, and, in total, may not equal 100%. A category percentage of 0.0% represents less than 0.1% of net assets. Investments in foreign securities were 88.4% of net assets at May 31, 2019.

CATEGORIES AND DEFINITIONS

Warrants – Entitle the holder to buy a proportionate amount of common stock at a specified price for a stated period.

PORTFOLIO ABBREVIATIONS AND DESCRIPTIONS

ADR	American depositary receipts are receipts issued by a U.S. bank evidencing ownership of foreign shares. Dividends are paid in U.S. dollars.
GDR	Global depositary receipts are receipts issued by a U.S. or foreign bank evidencing ownership of foreign shares. Dividends are paid in U.S. dollars.
NVDR	Non-voting depositary receipts are receipts issued by Thai NVDR Company Limited.
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) Securities with a value of $387,038,000, which represented 46.2% of the Fund's net assets, were classified as Level 2 at May 31, 2019, due to the prices being adjusted to take into account significant market movements following the close of local trading.

(b) Security was fair valued at May 31, 2019, by USAA Asset Management Company in accordance with valuation procedures approved by USAA Mutual Funds Trust's Board of Trustees. The total value of all such securities was $34,130,000, which represented 4.1% of the Fund's net assets.

(c) Non-income-producing security.

(d) Security deemed illiquid by USAA Asset Management Company, under liquidity guidelines approved by USAA Mutual Funds Trust's Board of Trustees.

(e) Restricted security that is not registered under the Securities Act of 1933. A resale of this security in the United States may occur in an exempt transaction to a qualified institutional buyer as defined by Rule 144A, and as such has been deemed liquid by USAA Asset Management Company under liquidity guidelines approved by USAA Mutual Funds Trust's Board of Trustees, unless otherwise noted as illiquid.

(f) The security, or a portion thereof, was out on loan as of May 31, 2019.

(g) Security was classified as Level 3.

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

See accompanying notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES
(IN THOUSANDS)

May 31, 2019

ASSETS	
Investments in securities, at market value (including securities on loan of $3,339) (cost of $710,572)	$815,872
Cash denominated in foreign currencies (identified cost of $2,206)	2,196
Receivables:	
Capital shares sold	182
USAA Asset Management Company (Note 7)	2
Dividends and interest	3,281
Securities sold	19,975
Other	4
Total assets	841,512
LIABILITIES	
Payables:	
Upon return of securities loaned	2,782
Securities purchased	103
Capital shares redeemed	411
Unrealized depreciation on foreign currency contracts held, at value	28
Accrued management fees	691
Accrued transfer agent's fees	27
Other accrued expenses and payables	282
Total liabilities	4,324
Net assets applicable to capital shares outstanding	$837,188
NET ASSETS CONSIST OF:	
Paid-in capital	$892,919
Accumulated loss	(55,731)
Net assets applicable to capital shares outstanding	$837,188
Net asset value, redemption price, and offering price per share:	
Fund Shares (net assets of $340,465/19,859 capital shares outstanding, no par value)	$ 17.14
Institutional Shares (net assets of $491,978/28,778 capital shares outstanding, no par value)	$ 17.10
Adviser Shares (net assets of $4,745/278 capital shares outstanding, no par value)	$ 17.08

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS
(IN THOUSANDS)

Year ended May 31, 2019

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $2,437)	$ 21,718
Interest	504
Securities lending (net)	69
Total income	22,291
EXPENSES	
Management fees	8,544
Administration and servicing fees:	
Fund Shares	534
Institutional Shares	532
Adviser Shares	7
Transfer agent's fees:	
Fund Shares	925
Institutional Shares	532
Distribution and service fees (Note 7):	
Adviser Shares	12
Custody and accounting fees:	
Fund Shares	225
Institutional Shares	332
Adviser Shares	3
Postage:	
Fund Shares	43
Institutional Shares	49
Shareholder reporting fees:	
Fund Shares	26
Institutional Shares	10
Trustees' fees	37
Registration fees:	
Fund Shares	25
Institutional Shares	10
Adviser Shares	16
Professional fees	139
Other	25
Total expenses	12,026

Expenses reimbursed:	
Adviser Shares	$ (2)
Net expenses	12,024
NET INVESTMENT INCOME	10,267
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY	
Net realized (loss) on:	
Investments (net of foreign taxes withheld of $57)	(39,328)
Foreign currency transactions	(1,316)
Change in net unrealized appreciation/(depreciation) of:	
Investments	(45,841)
Foreign capital gains tax	602
Foreign currency translations	66
Net realized and unrealized loss	(85,817)
Decrease in net assets resulting from operations	$(75,550)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)

Years ended May 31,

	2019	2018
FROM OPERATIONS		
Net investment income	$ 10,267	$ 10,454
Net realized gain (loss) on investments	(39,328)	115,322
Net realized loss on foreign currency transactions	(1,316)	(406)
Change in net unrealized appreciation/(depreciation) of:		
Investments	(45,841)	(50,544)
Foreign capital gains tax	602	(380)
Foreign currency translations	66	(143)
Increase (decrease) in net assets resulting from operations	(75,550)	74,303
DISTRIBUTIONS TO SHAREHOLDERS FROM DISTRIBUTABLE EARNINGS:		
Fund Shares	(4,143)	(1,440)
Institutional Shares	(7,618)	(3,191)
Adviser Shares	(43)	(10)
Distributions to shareholders	(11,804)	(4,641)
NET DECREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS (NOTE 6)		
Fund Shares	(26,531)	2,256
Institutional Shares	(52,722)	(32,591)
Adviser Shares	23	(17)
Total net decrease in net assets from capital share transactions	(79,230)	(30,352)
Net increase (decrease) in net assets	(166,584)	39,310
NET ASSETS		
Beginning of year	1,003,772	964,462
End of year	$ 837,188	$1,003,772

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

May 31, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USAA MUTUAL FUNDS TRUST (the Trust), registered under the Investment Company Act of 1940, as amended (the 1940 Act), is an open-end management investment company organized as a Delaware statutory trust consisting of 47 separate funds. The USAA Emerging Markets 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 capital appreciation.

The Fund consists of three classes of shares: Emerging Markets Fund Shares (Fund Shares), Emerging Markets Fund Institutional Shares (Institutional Shares), and Emerging Markets Fund Adviser Shares (Adviser 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, distribution and service (12b-1) 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 a USAA fund participating in a fund-of-funds investment strategy (USAA fund-of-funds). The Adviser Shares permit investors to purchase shares through financial intermediaries, including banks, broker-dealers, insurance companies, investment advisers, plan sponsors, and financial professionals that provide various administrative and distribution services.

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

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

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

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

   1. Equity securities, including exchange-traded funds (ETFs), exchange-traded notes (ETNs), and equity-linked structured notes,

except as otherwise noted, traded primarily on a domestic securities exchange or the over-the-counter markets, are valued at the last sales price or official closing price on the exchange or primary market on which they trade. Securities traded primarily on foreign securities exchanges or markets are valued at the last quoted sale price, or the most recently determined official closing price calculated according to local market convention, available at the time the Fund is valued. If no last sale or official closing price is reported or available, the average of the bid and ask prices generally is used. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Certain preferred and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

2. 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. Debt securities with maturities greater than 60 days are valued each business day by a pricing service (the Service) approved by the Board. The Service uses an evaluated mean between quoted bid and ask prices or the last sales price to value a security when, in the Service's judgment, these prices are readily available and are representative of the security's market value. For many securities, such prices are not readily available. The Service generally prices those securities based on methods which include consideration of yields or prices of securities of comparable quality, coupon, maturity, and type; indications as to values from dealers in securities; and general market conditions. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.
5. Short-term debt securities with original or remaining maturities of 60 days or less may be valued at amortized cost, provided that amortized cost represents the fair value of such securities.
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. Level 2 securities include equity securities that are valued using market inputs and other observable factors deemed by the Manager to appropriately reflect fair value.

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

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

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

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

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

C. **Derivative instruments and hedging activities** – The Fund may buy, sell, and enter into certain types of derivatives, including, but not limited to, futures contracts, options, and options on futures contracts, under circumstances in which such instruments are expected by the portfolio manager to aid in achieving the Fund's investment objective. The Fund also may use derivatives in circumstances where the portfolio manager believes they offer an economical means of gaining exposure to a particular asset class or securities market or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market. With exchange-listed futures contracts and options, counterparty credit risk to the Fund is limited to the exchange's clearinghouse which, as counterparty to all exchange-traded futures contracts and options, guarantees the transactions against default from the actual counterparty to the transaction. The Fund's derivative agreements held at May 31, 2019, did not include master netting provisions.

Forward currency contracts – The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund may enter into transactions to purchase or sell forward currency contracts in order to gain exposure to, or hedge against, changes in foreign exchange rates on its investment in securities traded in foreign countries. Forward currency contracts are agreements to exchange one currency for another at a future date and at a specified price. When the Fund believes that the currency of a specific country may deteriorate relative to the U.S. dollar, it may enter into a forward contract to sell that currency. The Fund bears the market risk that arises from changes in foreign exchange rates and the credit risk that a counterparty may fail to perform under a contract. When the contracts are settled, the Fund records a realized gain or loss equal to the difference in the forward currency exchange rates at the trade dates and at the settlement dates. Certain of the Fund's foreign currency contracts are entered into pursuant to International Swaps and Derivative Association (ISDA) Master Agreements, which may contain netting provisions providing for the net settlement of all transactions and collateral with the Fund through a single payment in the event of default or termination. The Fund's net equity in open forward currency contracts is included in the statement of assets and liabilities as net unrealized appreciation or depreciation and is generated from differences in the forward currency exchange rates at the trade dates of the contracts and the rates at the reporting date. For the six-month period ended May 31, 2019, the Fund held investments in forward currency contracts with a net value of $(7,000), on the Statement of Assets and Liabilities. Details on the collateral are included below the portfolio of investments.

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

		Liability Derivatives			
Derivatives not accounted for as hedging instruments	**Statement of Assets and Liabilities Location**	**Interest Rate Contracts**	**Equity Contracts**	**Foreign Exchange Contracts**	**Total**
USAA Emerging Markets Fund	Unrealized depreciation on foreign currency contracts held, at value	$–	$–	$(7)**	$(7)

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

** Includes cumulative appreciation (depreciation) of forward currency contracts as reported on the portfolio of investments. Only current day's variation margin is reported within the statement of assets and liabilities.

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

		Net Change in Unrealized Appreciation (Depreciation)			
Derivatives not accounted for as hedging instruments	**Statement of Operations Location**	**Interest Rate Contracts**	**Equity Contracts**	**Foreign Exchange Contracts**	**Total**
USAA Emerging Markets Fund	Change in net unrealized appreciation/ depreciation of Foreign currency translations	$–	$–	$(7)*	$(7)

* Includes forward currency contracts as reported on the portfolio of investments, which are reported as a component of foreign currency transactions/translations.

D. **Investments in securities** – Securities transactions are accounted for as of the date the securities are purchased or sold (trade date). Gains or losses from sales of investment securities are computed on the identified cost basis. Dividend income, less foreign taxes, if any, is recorded on the ex-dividend date. If the ex-dividend date has passed, certain dividends from foreign securities are recorded upon notification. Interest income is recorded daily on the accrual basis. Premiums and discounts are amortized over the life of the respective securities, using the effective yield method for long-term securities and the straight-line method for short-term securities.

E. **Federal taxes** – The Fund's policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income and net capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required.

For the year ended May 31, 2019, the Fund did not incur any income tax, interest, or penalties, and has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions. On an ongoing basis, the Manager will monitor the Fund's tax basis to determine if adjustments to this conclusion are necessary. The statute of limitations on the Fund's tax return filings generally remain open for the three preceding fiscal reporting year ends and remain subject to examination by the Internal Revenue Service and state taxing authorities.

F. **Foreign taxation** – 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.

G. **Foreign currency translations** – 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.

H. **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 May 31, 2019, brokerage commission recapture credits reduced the expenses of the Fund Shares, Institutional Shares and Adviser Shares all by less than $500, respectively.

I. **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.

J. **Use of estimates** – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts in the financial statements.

(2) LINE OF CREDIT

The Fund participates, along with other funds of the Trust and USAA ETF Trust (together, the Trusts), in a joint, short-term, revolving, committed loan agreement of $500 million with USAA Capital Corporation (CAPCO), an affiliate of the Manager. The purpose of the agreement is to provide temporary or emergency cash needs, including redemption requests that might otherwise require the untimely disposition of securities. Subject to availability (including usage of the facility by other funds of the Trusts), the Fund may borrow from CAPCO an amount up to 5% of the Fund's total assets at an interest rate based on the London Interbank Offered Rate (LIBOR), plus 100.0 basis points.

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

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

For the year ended May 31, 2019, the Fund paid CAPCO facility fees of $7,000, which represents 1.1% of the total fees paid to CAPCO by the funds of the Trusts. The Fund had no borrowings under this agreement during the year ended May 31, 2019. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

(3) DISTRIBUTIONS

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

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

	2019	2018
Ordinary income*	$11,804,000	$4,641,000

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

Undistributed ordinary income*	$ 1,279,000
Accumulated capital and other losses	(142,663,000)
Unrealized appreciation of investments	85,660,000

*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, and passive foreign investment company.

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

At May 31, 2019, the Fund had net capital loss carryforwards of $142,663,000, for federal income tax purposes as shown in the table below. It is unlikely that the Board will authorize a distribution of capital gains realized in the future until the capital loss carryforwards have been used.

Capital Loss Carryforwards	
Tax Character	
(No Expiration)	Balance
Short-Term	$(103,676,000)
Long-Term	(38,987,000)
Total	$(142,663,000)

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

Fund	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation / (Depreciation)
USAA Emerging Markets Fund	$730,045,000	$137,240,000	$(51,431,000)	$85,809,000

(4) INVESTMENT TRANSACTIONS

Cost of purchases and proceeds from sales/maturities of securities, excluding short-term securities, for the year ended May 31, 2019, were $588,682,000 and $722,909,000, respectively.

(5) SECURITIES LENDING

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

At May 31, 2019, the Fund's value of outstanding securities on loan and the value of collateral are as follows:

Value of securities on loan	Non-Cash Collateral	Cash collateral
$3,339,000	$822,000	$2,782,000

(6) CAPITAL SHARE TRANSACTIONS

At May 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 USAA 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 May 31, 2019		Year Ended May 31, 2018	
	Shares	Amount	Shares	Amount
Fund Shares:				
Shares sold	2,810	$ 48,985	4,265	$ 83,918
Shares issued from reinvested dividends	255	4,094	73	1,422
Shares redeemed	(4,569)	(79,610)	(4,233)	(83,084)
Net increase (decrease) from capital share transactions	(1,504)	$ (26,531)	105	$ 2,256
Institutional Shares:				
Shares sold	4,211	$ 73,201	6,010	$ 117,069
Shares issued from reinvested dividends	455	7,272	156	3,034
Shares redeemed	(7,617)	(133,195)	(7,789)	(152,694)
Net decrease from capital share transactions	(2,951)	$ (52,722)	(1,623)	$ (32,591)
Adviser Shares:				
Shares sold	2	$ 34	1	$ 28
Shares issued from reinvested dividends	–*	1	–*	–*
Shares redeemed	(–)*	(12)	(2)	(45)
Net increase (decrease) from capital share transactions	2	$ 23	(1)	$ (17)

*Represents less than 500 shares or $500.

(7) TRANSACTIONS WITH MANAGER

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

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

The investment management fee for the Fund is comprised of a base fee and a performance adjustment. The Fund's base fee is accrued daily and paid monthly at an annualized rate of 1.00% 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 Emerging Markets Funds Index. The performance period for each share class consists of the current month plus the previous 35 months. The following table is utilized to determine the extent of the performance adjustment:

Over/Under Performance Relative to Index (in basis points)[1]	**Annual Adjustment Rate (in basis points)**[1]
+/– 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 Emerging Markets Funds Index over that period, even if the class had overall negative returns during the performance period.

For the year ended May 31, 2019, the Fund incurred management fees, paid or payable to the Manager, of $8,544,000, which included a performance adjustment for the Fund Shares, Institutional Shares, and Adviser Shares of $(148,000), $(237,000), and $(2,000), respectively. For the Fund Shares, Institutional Shares, and Adviser Shares, the performance adjustments were all (0.04)%, respectively. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Subadvisory arrangement(s) – The Manager entered into Investment Subadvisory Agreements with Brandes Investment Partners, L.P. (Brandes), Lazard Asset Management LLC (Lazard), and Victory Capital Management Inc. (Victory Capital), under which Brandes, Lazard, and Victory Capital each direct the investment and reinvestment of a portion of the Fund's assets (as allocated from time to time by the Manager). These arrangements provide for monthly fees that are paid by the Manager.

The Manager (not the Fund) pays Brandes a subadvisory fee in the annual amount of 0.65% for assets up to $500 million; 0.60% for assets over $500 million on the portion of the Fund's average daily net assets that Brandes manages. In addition, Brandes will apply a 5 basis point Distribution Platform Discount to the fee schedule. Prior to October 1, 2018, the Manager (not the Fund) paid Brandes a subadvisory fee in the annual amount of 0.75% for assets up to $300 million; 0.70% for assets over $300 million up to $600 million; and 0.60% for assets over $600 million on the portion of the Fund's average net assets that Brandes managed. For the year ended May 31, 2019, the Manager incurred subadvisory fees with respect to the Fund, paid or payable to Brandes, of $955,000.

The Manager (not the Fund) pays Lazard a subadvisory fee in the annual amount of 0.65% for assets up to $200 million; 0.55% for assets up to $400 million; 0.50% for assets up to $600 million; and 0.45% for assets over $600 million on the portion of the Fund's average daily net assets that Lazard manages. Prior to October 1, 2018, the Manager (not the Fund) paid Lazard a subadvisory fee in the annual amount of 0.75% for assets up to $200 million; 0.70% for assets over $200 million up to $400 million; 0.65% for assets over

$400 million up to $600 million; and 0.60% for assets over $600 million on the portion of the Fund's average daily net assets that Lazard managed. For the year ended May 31, 2019, the Manager incurred subadvisory fees with respect to the Fund, paid or payable to Lazard, of $3,734,000.

The Manager (not the Fund) pays Victory Capital a subadvisory fee in the annual amount of 0.55% for all assets on the portion of the Fund's average daily net assets that Victory Capital manages. Prior to October 1, 2018, the Manager (not the Fund) paid Victory Capital a subadvisory fee in the annual amount of 0.85% for assets up to $50 million; 0.75% for assets over $50 million up to $150 million; and 0.70% for assets over $150 million on the portion of the Fund's average daily net assets that Victory Capital managed. For the year ended May 31, 2019, the Manager incurred subadvisory fees with respect to the Fund, paid or payable to Victory Capital, of $863,000.

Administration and servicing fees – The Manager provides certain administration and servicing functions for the Fund. For such services, the Manager receives a fee accrued daily and paid monthly at an annualized rate of 0.15% of average daily net assets of the Fund Shares and Adviser Shares, and 0.10% of average daily net assets of the Institutional Shares. For the year ended May 31, 2019, the Fund Shares, Institutional Shares, and Adviser Shares incurred administration and servicing fees, paid or payable to the Manager, of $534,000, $532,000, and $7,000, respectively.

In addition to the services provided under its Administration and Servicing Agreement with the Fund, the Manager also provides certain compliance and legal services for the benefit of the Fund. The Board has approved the reimbursement of a portion of these expenses incurred by the Manager. For the year ended May 31, 2019, the Fund reimbursed the Manager $6,000 for these compliance and legal services. These expenses are included in the professional fees on the Fund's Statement of Operations. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Expense limitation – The Manager agreed, through September 30, 2019, to limit the total annual operating expenses of the Adviser Shares to 1.75% of its average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and to reimburse the Adviser Shares for all expenses in excess of that amount. This expense limitation arrangement may not be changed or terminated through September 30, 2019, without approval of the Board, and may be changed or terminated by the Manager at any time after that date. For the year ended May 31, 2019, the Adviser Shares incurred reimbursable expenses of $2,000, of which all was receivable from the Manager.

Transfer agent's fees – SAS, an affiliate of the Manager, provides transfer agent services to the Fund Shares and Adviser Shares based on an annual charge of $23 per shareholder account plus out-of-pocket expenses. SAS pays a portion of these fees to certain intermediaries for the administration and servicing of accounts that are held with such intermediaries. Transfer agent's fees for Institutional Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.10% of the Institutional Shares' average daily net assets, plus out-of-pocket expenses. For the year ended May 31, 2019, the Fund Shares, Institutional Shares, and Adviser Shares incurred transfer agent's fees, paid or payable to SAS, of $925,000, $532,000, and less than $500, respectively. **Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.**

Distribution and service (12b-1) fees – The Fund has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Adviser Shares. Under the plan, the Adviser Shares pay fees to USAA Investment Management Company (IMCO), the distributor, for distribution and shareholder services. IMCO pays all or a portion of such fees to intermediaries that make the Adviser Shares available for investment by their customers. The fee is accrued daily and paid monthly at an annual rate of 0.25% of the Adviser Shares' average daily net assets. Adviser Shares are offered and sold without imposition of an initial sales charge or a contingent deferred sales charge. For the year ended May 31, 2019, the Adviser Shares incurred distribution and service (12b-1) fees of $12,000.

Underwriting services – IMCO provides exclusive underwriting and distribution of the Fund's shares on a continuing best-efforts basis and receives no fee or other compensation for these services, but may receive 12b-1 fees as described above, with respect to Adviser Shares.

Please refer to the Subsequent Event Note to the Financial Statements in this annual report for additional important information.

(8) TRANSACTIONS WITH AFFILIATES

The Fund offers its Institutional Shares for investment by other USAA Funds and is one of 16 USAA mutual funds in which the affiliated USAA fund-of-funds invest. The USAA fund-of-funds do not invest in the underlying 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 May 31, 2019, the USAA fund-of-funds owned the following percentages of the total outstanding shares of the Fund:

Affiliated USAA Fund	Ownership %
Cornerstone Conservative	0.3
Cornerstone Equity	1.0
Target Retirement Income	0.2
Target Retirement 2020	0.3
Target Retirement 2030	0.9
Target Retirement 2040	1.2
Target Retirement 2050	0.9
Target Retirement 2060	0.1

The Manager is indirectly wholly owned by USAA a large, diversified financial services institution. At May 31, 2019, USAA and its affiliates owned 271,000 Adviser Shares, which represents 97.7% of the Adviser Shares outstanding and 0.6% of the Fund's total outstanding shares.

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

(9) 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.

(10) 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.

(11) SUBSEQUENT EVENT NOTE

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

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

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

Effective July 1, 2019, Victory Capital added new portfolio managers from one or more investment teams employed by Victory Capital to serve as additional portfolio managers, or replace current portfolio managers, to manage all or a portion of the Fund according to each team’s own investment process.

Effective July 1, 2019, members of Victory Capital’s investment franchises, Sophus Capital and Trivalent Investments, were also named as portfolio managers of the Fund to manage all or a position of the Fund.

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

Effective July 1, 2019, the line of credit (as discussed in the Notes to the Financial Statements in this annual report) among the Trust, with respect to its Funds, and CAPCO terminated; the Trust, with respect to its Funds, along with series of Victory Portfolios, Victory Portfolios II and Victory

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

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

FINANCIAL HIGHLIGHTS

FUND SHARES

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

	Year Ended May 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 18.84	$ 17.60	$ 14.24	$ 16.46	$ 18.14
Income (loss) from investment operations:					
Net investment income	.17	.16	.07	.11[a]	.08
Net realized and unrealized gain (loss)	(1.67)	1.15	3.43	(2.22)[a]	(1.52)
Total from investment operations	(1.50)	1.31	3.50	(2.11)[a]	(1.44)
Less distributions from:					
Net investment income	(.20)	(.07)	(.14)	(.11)	(.24)
Net asset value at end of period	$ 17.14	$ 18.84	$ 17.60	$ 14.24	$ 16.46
Total return (%)*	(7.86)	7.41	24.70	(12.77)	(7.84)
Net assets at end of period (000)	$340,465	$402,401	$374,130	$302,012	$500,510
Ratios to average daily net assets:**					
Expenses (%)[b],[c]	1.48	1.46	1.51	1.58	1.50
Net investment income (%)	1.02	.86	.50	.73	.71
Portfolio turnover (%)	68	59	45	47	46

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

** For the year ended May 31, 2019, average daily net assets were $356,086,000.

(a) Calculated using average shares.

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

(c) 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%.

INSTITUTIONAL SHARES

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

	Year Ended May 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	$ 18.79	$ 17.55	$ 14.21	$ 16.42	$ 18.10
Income (loss) from investment operations:					
Net investment income	.18	.20	.12[(a)]	.18	.13
Net realized and unrealized gain (loss)	(1.62)	1.14	3.40[(a)]	(2.25)	(1.53)
Total from investment operations	(1.44)	1.34	3.52[(a)]	(2.07)	(1.40)
Less distributions from:					
Net investment income	(.25)	(.10)	(.18)	(.14)	(.28)
Net asset value at end of period	$ 17.10	$ 18.79	$ 17.55	$ 14.21	$ 16.42
Total return (%)*	(7.58)	7.62	24.93	(12.53)	(7.64)
Net assets at end of period (000)	$491,978	$596,185	$585,468	$603,981	$637,007
Ratios to average daily net assets:**					
Expenses (%)[(b),(c)]	1.25	1.28	1.29	1.30	1.27
Net investment income (%)	1.24	1.09	.75	1.11	.93
Portfolio turnover (%)	68	59	45	47	46

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

** For the year ended May 31, 2019, average daily net assets were $531,865,000.

(a) Calculated using average shares.

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

(c) 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%.

ADVISER SHARES

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

	Year Ended May 31,				
	2019	2018	2017	2016	2015
Net asset value at beginning of period	$18.76	$17.55	$14.20	$ 16.40	$18.08
Income (loss) from investment operations:					
Net investment income	.10	.12	.05	.09	.05
Net realized and unrealized gain (loss)	(1.62)	1.13	3.42	(2.21)	(1.53)
Total from investment operations	(1.52)	1.25	3.47	(2.12)	(1.48)
Less distributions from:					
Net investment income	(.16)	(.04)	(.12)	(.08)	(.20)
Redemption fees added to beneficial interests	–	–	–	–	.00[(a)]
Net asset value at end of period	$17.08	$18.76	$17.55	$ 14.20	$16.40
Total return (%)*	(8.07)	7.09	24.53	(12.93)	(8.09)
Net assets at end of period (000)	$4,745	$5,186	$4,864	$ 3,931	$4,560
Ratios to average daily net assets:**					
Expenses (%)[(b),(c)]	1.75	1.72[(d)]	1.66[(e)]	1.75	1.79[(f)]
Expenses, excluding reimbursements (%)[(b),(c)]	1.79	1.81	1.87	1.92	1.95
Net investment income (%)	.73	.61	.35	.60	.41
Portfolio turnover (%)	68	59	45	47	46

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

** For the year ended May 31, 2019, average daily net assets were $4,802,000.

(a) Represents less than $0.01 per share.

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

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

(d) Prior to October 1, 2017, the Manager voluntarily agreed to limit the annual expenses of the Adviser Shares to 1.65% of the Advisers Shares' average daily net assets.

(e) Prior to October 1, 2016, the Manager voluntarily agreed to limit the annual expenses of the Adviser Shares to 1.75% of the Advisers Shares' average daily net assets.

(f) Prior to October 1, 2014, the Manager voluntarily agreed to limit the annual expenses of the Adviser Shares to 2.00% of the Advisers Shares' average daily net assets.

EXPENSE EXAMPLE

May 31, 2019 (unaudited)

EXAMPLE

As a shareholder of the Fund, you incur two types of costs: direct costs, such as wire fees, redemption fees, and low balance fees; and indirect costs, including management fees, transfer agency fees, distribution and service (12b-1) fees, and other Fund operating expenses. This example is intended to help you understand your indirect costs, also referred to as “ongoing costs” (in dollars), of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

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

ACTUAL EXPENSES

The line labeled “actual” 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 December 1, 2018	Ending Account Value May 31, 2019	Expenses Paid During Period* December 1, 2018 – May 31, 2019
Fund Shares			
Actual	$1,000.00	$1,035.70	$7.51
Hypothetical (5% return before expenses)	1,000.00	1,017.55	7.44
Institutional Shares			
Actual	1,000.00	1,037.70	6.40
Hypothetical (5% return before expenses)	1,000.00	1,018.65	6.34
Adviser Shares			
Actual	1,000.00	1,034.00	8.87
Hypothetical (5% return before expenses)	1,000.00	1,016.21	8.80

*Expenses are equal to the annualized expense ratio of 1.48% for Fund Shares, 1.26% for Institutional Shares, and 1.75% for Adviser Shares, which are net of any reimbursements and expenses paid indirectly, multiplied by the average account value over the period, multiplied by 182 days/365 days (to reflect the one-half-year period). The Fund's actual ending account values are based on its actual total returns of 3.57% for Fund Shares, 3.73% for Institutional Shares, and 3.40% for Adviser Shares for the six-month period of December 1, 2018, through May 31, 2019.

ADVISORY AGREEMENT(S)

(between the Trust and Victory Capital Management Inc.)

May 31, 2019

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

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

BACKGROUND FOR THE BOARD APPROVALS

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

In anticipation of the Transaction, the Trustees met at a series of subsequent in-person meetings on November 27-28, 2018, January 7-8, 2019, and January 14-15, 2019, which included meetings of the full Board and separate meetings of the Independent Trustees for the purposes of considering, among other things: whether it would be in the best interests of each Fund and its respective shareholders to approve the New Agreements; and the anticipated impacts of the Transaction on the Funds and their shareholders (each, a "Meeting"). During each of these Meetings, the Board sought additional and clarifying information as it deemed necessary or appropriate. In this connection, the Independent Trustees worked with their independent legal counsel to prepare formal due diligence requests (the "Diligence Requests") that were submitted to Victory Capital, Victory Capital Advisers, Inc. ("VCA"), and the subadvisers. The Diligence Requests sought information relevant to the Board's consideration of the New Advisory Agreement, the New Subadvisory Agreements, distribution arrangements, and other anticipated impacts of the Transaction on the Funds and their shareholders. Victory Capital, VCA, and the subadvisers provided documents and information in response to the Diligence Requests (the "Response Materials"). Following their review of the Response Materials, the Independent Trustees submitted a supplemental due diligence request for additional and clarifying information (the "Supplemental Diligence Request") to Victory Capital and VCA. Victory Capital and VCA provided further information in response to the Supplemental Diligence Request, which the Board reviewed. Senior management representatives of Victory Capital and/or AMCO participated in a portion of each Meeting and addressed various questions raised by the Board. Throughout the process, the Independent Trustees were assisted by their independent legal counsel and counsel to the Funds, who advised them on, among other things, their duties and obligations relating to their consideration of the New Agreements.

The Board's evaluation of the New Agreements reflected the information provided specifically in connection with its review of the New Agreements, as well as, where relevant, information that was previously furnished to the Board in connection with the then-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.

[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.

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

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

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

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

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.

[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.

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.

<u>Fall-Out and other benefits to Victory Capital and its affiliates</u> – 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.

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

FACTORS CONSIDERED IN APPROVING THE NEW SUBADVISORY AGREEMENTS

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

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

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

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

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

ADVISORY AGREEMENT(S)

(between the Trust and the Manager)

May 31, 2019

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

At an in-person meeting of the Board of Trustees (the Board) held on April 17, 2019, the Board, including the Trustees who are not "interested persons" (as that term is defined in the Investment Company Act of 1940, as amended) of the Trust (the Independent Trustees), approved for an annual period the continuance of the Advisory Agreement between the Trust and the Manager with respect to the Fund and the Subadvisory Agreements (each, a Subadvisory Agreement and together, the Subadvisory Agreements) between the Manager and each of Lazard Asset Management LLC, Victory Capital Management Inc., and Brandes Investment Partners, L.P. (each, a Subadviser and together, the Subadvisers) 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 Agreements and the Manager and each 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

[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"). Upon the closing of the transaction, on behalf of the Fund, Victory Capital Holdings, Inc., the parent company of Victory Capital, the Advisory Agreement between the Trust and the Manager will terminate and the new investment advisory agreement between the Trust and Victory Capital will go into effect. The factors the Board considered in approving the new investment advisory agreement with Victory Capital are included in this annual report.

report prepared by an independent third party, which provided a statistical analysis comparing the Fund's investment performance, expenses, and fees to comparable investment companies; (ii) information concerning the services rendered to the Fund, as well as information regarding the Manager's revenues and costs of providing services to the Fund and compensation paid to affiliates of the Manager; and (iii) information about the Manager's and Subadvisers' operations and personnel. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Advisory Agreement and the Subadvisory Agreements with management and with experienced independent legal counsel retained by the Independent Trustees (Independent Counsel) and received materials from such Independent Counsel discussing the legal standards for their consideration of the proposed continuation of the Advisory Agreement and the Subadvisory Agreements with respect to the Fund. The Independent Trustees also reviewed the proposed continuation of the Advisory Agreement and the Subadvisory Agreements 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 Agreements separately in the course of its review. In doing so, the Board noted the respective roles of the Manager and the Subadvisers in providing services to the Fund.

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

ADVISORY AGREEMENT

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

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

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

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

Expenses and Performance – In connection with its consideration of the Advisory Agreement, the Board evaluated the advisory fees and total expense ratio of the Fund 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 expenses of the Fund 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 above the median of its expense group and its expense universe. The data indicated that the Fund's total expenses were above the median of its expense group and its expense universe. The Board took into account management's discussion of the Fund's expenses. The Board took into account the various services provided to the Fund by the Manager and its affiliates, including the high quality of services received by the Fund from the Manager. The Board also noted the level and method of computing the Fund's management fee, including any performance adjustment to such fee.

The Board also took into account that the subadvisory fees under each Subadvisory Agreement relating to the Fund are paid by the Manager. The Board also considered and discussed information about the Subadvisers' fees, including the amount of the management fees retained by the Manager after payment of the subadvisory fees.

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 below the average of its performance universe and its Lipper index for the one-, three-, five- and ten-year periods ended December 31, 2018.

The Board also noted that the Fund's percentile performance ranking was in the bottom 50% of its performance universe for the one-, three-, five-, and ten-year periods ended December 31, 2018. The Board also took into account management's discussion of the reasons for the Fund's underperformance, as well as management's continued monitoring of the Fund's performance.

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

Economies of Scale – The Board considered whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in any economies of scale. The Board took into account management's discussions of the current advisory fee structure. The Board also considered the fact that the Manager pays the Fund's subadvisory fees.

The Board also considered the effect of the Fund's growth and size on its performance and fees, noting that if the Fund's assets increase over time, the Fund may realize other economies of scale if assets increase proportionally more than some expenses. The Board determined that the current investment management fee structure was reasonable.

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

SUBADVISORY AGREEMENTS

In approving each 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 respective Subadviser, including the personnel providing services; (ii) each Subadviser's compensation and any other benefits derived from the subadvisory relationship; (iii) comparisons, to the extent applicable, of subadvisory fees and performance to comparable investment companies; and (iv) the terms of each 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 each Subadvisory Agreement. In approving each 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 each Subadviser, including information presented periodically throughout the previous year. The Board considered each Subadviser's level of knowledge and investment style. The Board reviewed the experience and credentials of the investment personnel who are responsible for managing the investment of portfolio securities with respect to the Fund and each Subadviser's level of staffing. The Trustees also noted each Subadviser's brokerage practices. The Board also considered each Subadviser's regulatory and compliance history. The Board also took into account each Subadviser's risk management processes. The Board noted that the Manager's monitoring processes of each Subadviser include, among others: (i) regular telephonic meetings to discuss, among other matters, investment strategies and to review portfolio performance; (ii) monthly portfolio compliance checklists and quarterly compliance certifications to the Board; and (iii) due diligence visits to each Subadviser.

Subadviser Compensation – The Board also took into consideration the financial condition of each Subadviser. In considering the cost of services to be provided by each Subadviser and the profitability to that Subadviser of its relationship with the Fund, the Trustees noted that the fees under the Subadvisory Agreements were paid by the Manager. The Trustees also relied on the ability of the Manager to negotiate each Subadvisory Agreement and the fees thereunder at arm's length. For the above reasons, the Board determined that the profitability of each 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, although the Trustees noted that each Subadviser's subadvisory fee was reduced effective October 2018. For similar reasons, the Board concluded that the potential for economies of scale in each Subadviser's management of the Fund was not a material factor in considering the Subadvisory Agreement, although the Board noted that each Subadvisory Agreement contains breakpoints in its fee schedule.

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

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

TRUSTEES' AND OFFICERS' INFORMATION

TRUSTEES AND OFFICERS OF THE TRUST

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

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

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

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

INTERESTED TRUSTEES

Daniel S. McNamara[1, 2, 4, 6,†]
Trustee and Chair of the Board of Trustees
Born: June 1966
Year of Election or Appointment: 2012

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

David C. Brown[2, 4, 6,10]
Trustee
Born: May 1972
Year of Election or Appointment: 2019

Chairman and Chief Executive Officer (2013–present), Co-Chief Executive Officer, (2011–2013), Victory Capital Management Inc.; Chairman and Chief Executive Officer (2013–present), Victory Capital Holdings, Inc. Mr. Brown brings to the Board extensive business, finance and leadership skills gained and developed through years of experience in the financial services industry, including his tenure overseeing the strategic direction as CEO of Victory Capital. These skills, combined with Mr. Brown's extensive knowledge of the financial services industry and demonstrated success in the development and distribution of investment strategies and products, enable him to provide valuable insights to the Board and strategic direction for the Funds. Mr. Brown serves on the Boards of the Victory Funds family of funds consisting of five registered investment companies offering approximately 104 mutual funds and 24 ETFs. Mr. Brown is considered an Interested Trustee of the Trust due to his position with Victory Capital and its affiliated companies.

NON-INTERESTED (INDEPENDENT) TRUSTEES

Robert L. Mason, Ph.D.[3, 4, 5, 6, 7]
Trustee
Born: July 1946
Year of Election or Appointment: 1997

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

Jefferson C. Boyce[3, 4, 5, 6, 7]
Lead Trustee and Vice Chair
Born: September 1957
Year of Election or Appointment: 2013

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

Dawn M. Hawley[3, 4, 5, 6, 7, 9]
Trustee
Born: February 1954
Year of Election or Appointment: 2014

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

Paul L. McNamara[3, 4, 5, 6, 7]
Trustee
Born: July 1948
Year of Election or Appointment: 2012

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

Richard Y. Newton III[3, 4, 5, 6, 7]
Trustee
Born: January 1956
Year of Election or Appointment: 2017

Trustee, USAA ETF Trust (06/17–06/19); Director, Elta North America (01/18–present), which is a global leader in the design, manufacture and support of innovative electronic systems in the ground, maritime, airborne, and security domains for the nation's warfighters, security personnel, and first responders; Managing Partner, Pioneer Partnership Development Group (12/15–present); Executive Director, The Union League Club of New York (06/14–11/15); Executive Vice President, Air Force Association (08/12–05/14); Lieutenant General, United States Air Force (01/08–06/12). Lieutenant General Newton (Ret.) served 34 years of active duty in the United States Air Force. Lt. Gen. Newton retired as the Assistant Vice Chief of Staff and Director of Air Staff at the Headquarters of the U.S. Air Force where he was responsible for overseeing the administration and organization of the Air Staff, which develops policies, plans and programs, establishes requirements, and provides resources to support the Air Force's mission. Lt. Gen. Newton is a graduate of the United States Air Force Academy, Webster University, and The National War College. Lt. Gen. Newton brings to the Board extensive management and military experience, as well as over two years of experience as a Board member of the USAA family of funds. Lt. Gen. Newton holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

Barbara B. Ostdiek, Ph.D.[3, 4, 5, 6, 7, 8]
Trustee
Born: March 1964
Year of Election or Appointment: 2008

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

Michael F. Reimherr[3, 4, 5, 6, 7]
Trustee
Born: August 1945
Year of Election or Appointment: 2000

Trustee, USAA ETF Trust (06/17–06/19); President of Reimherr Business Consulting performing business valuations of medium to large companies; developing business plans, budgets, and internal financial reporting; and work with mergers and acquisitions (05/95–12/17). St. Mary's University Investment Committee overseeing University Endowment (06/14–present). Mr. Reimherr brings to the Board particular experience with organizational development, budgeting, finance, capital markets, and mergers and acquisitions, as well as over 19 years' experience as a Board member of the USAA family of funds. Mr. Reimherr holds no other directorships of any publicly held corporations or other investment companies outside the USAA family of funds.

John C. Walters[3, 4, 5, 6, 7]
Trustee
Born: February 1962
Year of Election or Appointment: 2019

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

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

[2] Member of Executive Committee.

[3] Member of Audit and Compliance Committee.

[4] Member of Product Management and Distribution Committee.

[5] Member of Corporate Governance Committee.

[6] Member of Investments Committee.

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

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

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

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

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

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

OFFICERS

Christopher K. Dyer
President
Born: February 1962
Year of Appointment: 2019

Director of Mutual Fund Administration, the Victory Capital.

Scott A. Stahorsky
Vice President
Born: July 1969
Year of Appointment: 2019

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

Allan Shaer
Assistant Treasurer
Born: March 1965
Year of Appointment: 2019

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

James K. De Vries
Treasurer
Born: April 1969
Year of Appointment: 2018

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

Carol D. Trevino
Assistant Treasurer
Born: October 1965
Year of Appointment: 2018

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

Erin G. Wagner
Secretary
Born: February 1974
Year of Appointment: 2019

Associate General Counsel, the Adviser (since 2013).

Charles Booth
Anti-Money Laundering Compliance Officer and Identity Theft Officer
Born: April 1960
Year of Appointment: 2019

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

Amy Campos
Chief Compliance Officer
Born: August 1976
Year of Appointment: 2019

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

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

John C. Spear
Vice President
Born: May 1964
Year of Appointment: 2016

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

John P. Toohey
Vice President
Born: March 1968
Year of Appointment: 2009

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

Kristen Millan
Secretary
Born: April 1983
Year of Appointment: 2019

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

Stephanie A. Higby
Chief Compliance Officer
Born: July 1974
Year of Appointment: 2013

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

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

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

25558-0719