



MUTUAL FUNDS

DECEMBER 31, 2019

# Annual Report

## USAA Ultra Short-Term Bond Fund

Beginning 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](http://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](http://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](http://usaa.com). Your election to receive reports in paper will apply to all funds held with the USAA family of funds or your financial intermediary.

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

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Funds Trust

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

### **IRA DISTRIBUTION WITHHOLDING DISCLOSURE**

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

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

For more specific information, please consult your tax adviser.

*(Unaudited)*

Dear Shareholder,

As we turn the page into a new decade, it's hard not to reflect on the fact that we have been enjoying the longest-ever bull market in U.S. equities. The run has been impressive, and despite periods of tumult and plenty of negative news, the bull market endured throughout 2019.

For the annual reporting period ended December 31, 2019, the S&P 500® Index ("S&P 500") posted impressive gains of almost 29%. This represents the greatest one-year gain since 2013 and also illustrates a swift bounce-back after a precipitous drop late in 2018. The move higher supports the notion that underlying fundamentals of U.S. companies drive performance, rather than the political news and headline fears that often capture the attention of investors.

Perhaps we shouldn't be surprised at the impressive performance of equities. The U.S. economy—the world's largest—remains on solid footing and has been a key driver of both domestic and international stocks. Robust job creation, near-record low unemployment, and steady consumer spending continue and offer reasons for further optimism. Meanwhile, inflation remains muted, and the U.S. Federal Reserve (the "Fed") and other major global central banks have taken an accommodative stance. In fact, the Fed has cut interest rates by a total of 0.75% over three meetings last July, September, and October.

The risk-on attitudes of investors, coupled with the accommodative monetary policy, had an expected impact on U.S. Treasury yields. The 10-year Treasury yield declined significantly over the course of 2019, falling from 2.66% to 1.92% at year-end. More interesting, however, was that the yield on 10-year Treasuries fell below shorter-term yields for the first time since before the 2007-2008 Global Financial Crisis. This inverted yield curve spooked investors for a spell, only to revert back to a traditional upward sloping yield curve by the end of 2019.

The robust domestic economy, low interest rates, and ample liquidity from central banks provided a potent tonic for the stock market in 2019. In fact, at year-end 2019, the S&P 500 was approaching its highest valuation level since 1999. This reminds all of us to retain some historical context on the bull market. Many of us remember the Global Financial Crisis and, before that, the collapse of the dot-com bubble. Although those are now but a distant memory (and we are not forecasting such tumult), we should not forget that stocks don't always go up and cycles don't last forever. In other words, valuations still matter.

The key point is not to discount the risks. In addition to lofty valuations, investors need to keep apprised of trade disputes, geopolitical hotspots, a contentious U.S. election, and a host of other potential headwinds. Yet it is these very risks—these cross-currents—that may create pricing dislocations. This is an environment in which we believe our Victory Capital independent investment franchises can thrive.

On the following pages, you will find information relating to your USAA Funds investment. If you have any questions, we encourage you to contact your financial adviser. Or, if you invest with us directly, you may call (800) 235-8396, or visit our website at [www.usaa.com](http://www.usaa.com).

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

A handwritten signature in black ink, appearing to read 'C. Dyer', written in a cursive style.

**Christopher K. Dyer, CFA**

*President,  
USAA Funds*

## USAA Ultra Short-Term Bond Fund

### Manager's Commentary

**USAA Investments, A Victory Capital Investment Franchise**

**Douglas Rollwitz**

**Brian Smith**

**Jim Jackson**

**Neal Graves**

- **What were the market conditions during the reporting period?**

Bond yields ended the reporting period of December 31, 2019 lower than they began, as the U.S. Federal Reserve (the “Fed”) loosened monetary policy. Fed policymakers lowered the federal funds (“fed funds”) rate three times during 2019—by 0.25% on each occasion—to a range between 1.50% and 1.75% at the end of the reporting period. Rates were left unchanged at the last meeting of the year in December with the Fed expecting the economy to continue improving. Regarding the Fed’s balance sheet, a normalization program that took place between October 2017 and August 2019 gradually decreased it to \$3.8 trillion from \$4.4 trillion, before rising again starting in September 2019. In September, there was a serious funding shortfall in the repo market, and the Fed responded with a series of liquidity injections aimed at preventing further capital droughts and stabilizing short term rates. The Fed balance sheet ended the year at just under \$4.2 trillion.

The other noteworthy event in the market was the yield curve inversion. In August 2019, the yield on a 10-year U.S. Treasury note fell below the yield on a two-year note for the first time since 2007 in what is commonly known as a yield curve inversion. While interest rates set by the Fed have a significant influence on short-term U.S. Treasury yields, market forces such as investor sentiment and demand for various tenors of bonds determine the actual shape of the yield curve. Yield curve inversions are not a common occurrence and have preceded the past seven recessions, with the average lead time being 14 months. Global economic activity picked up markedly late in 2019, and the year ended with a normally sloped yield curve. As a reference, the one-year U.S. Treasury yield started the reporting period at 2.60% and closed it at 1.57%.

The investment-grade new issue market priced \$1.128 trillion of primary corporate supply in 2019, down only modestly at 1.8% year-over-year, but the lowest gross issuance since 2014. Demand for bonds was strong and credit spreads tightened significantly throughout 2019. The investment-grade index spread started the reporting period at approximately +200 basis points and ended at +128 basis points. Higher quality A-rated paper tightened in as well, starting the period at +122 basis points and ending at +72 basis points. An influx of demand from foreign buyers was a contributing factor to spread tightening, as many of these investors were fleeing negative yields in their local markets.

- **How did the USAA Ultra Short-Term Bond Fund (the “Fund”) perform during the reporting period?**

The Fund has three share classes: Fund Shares, Institutional Shares, and R6 Shares. For the reporting period ended December 31, 2019, the Fund Shares, Institutional Shares, and R6 shares had total returns of 4.37%, 4.43%, and 4.70%, respectively. This compares

**USAA Ultra Short-Term Bond Fund** (continued)

**Manager's Commentary** (continued)

to total returns of 2.25% for the Citigroup 3-Month U.S. Treasury Bill Index and 3.05% for the Lipper Ultra Short Obligations Funds Index.

- **What were your strategies for the Fund during the reporting period?**

Maintaining our investment approach, we selectively sought relative value opportunities among various sectors near the front end of the yield curve. As always, we worked closely with our in-house team of credit analysts, who use independent credit research to identify and evaluate potential investments. Our credit analysts also continuously monitored every bond in the portfolio. As the Fund entered the reporting period with a longer duration than the Citigroup 3-Month U.S. Treasury Bill Index and the Lipper Ultra Short Obligations Funds Index, declining short-term interest rates were a meaningful positive contributor to performance. Tightening credit spreads also added to performance. Throughout all types of interest rate and credit spread environments, we intend to seek out what we believe are selective opportunities along the front end of curve.

At the end of the reporting period, the Fund had a weighted average maturity ("WAM") of close to one year at 1.01. The portfolio's duration, which is a measure of its sensitivity to changes in interest rates, was one year.

Thank you for the opportunity to help you with your investment needs.

# USAA Mutual Funds Trust (Unaudited)

## USAA Ultra Short-Term Bond Fund

### Investment Overview

Average Annual Total Return					
Year Ended December 31, 2019					
	Fund Shares	Institutional Shares	R6 Shares		
INCEPTION DATE	10/18/10	7/12/13	3/1/17		
	Net Asset Value	Net Asset Value	Net Asset Value	Citigroup 3-Month U.S. Treasury Bill Index <sup>(1)</sup>	Lipper Ultra Short Obligations Funds Index <sup>(2)</sup>
One Year	4.37%	4.43%	4.70%	2.25%	3.05%
Five Year	1.80%	1.80%	N/A	1.05%	1.59%
Since Inception	1.72%	1.69%	2.69%	0.58%	1.17%

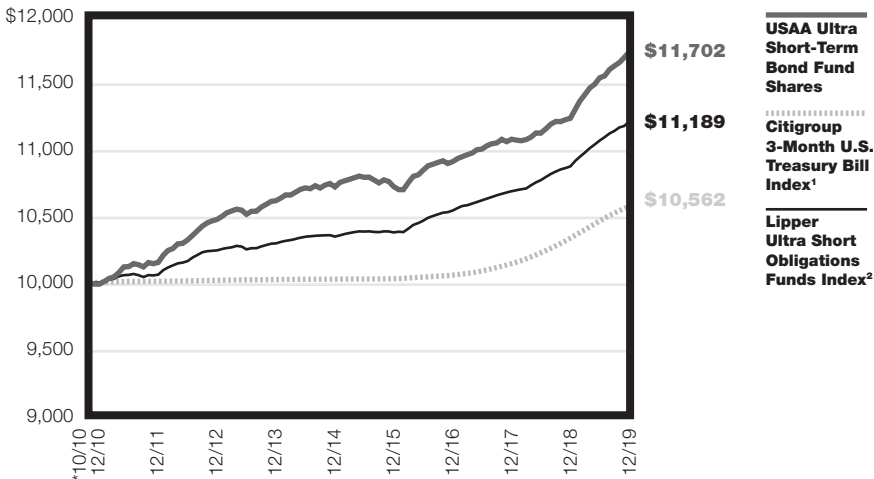
**Past performance is not indicative of future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month's end, please visit [www.usaa.com](http://www.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.

<sup>1</sup>The since inception performance of the Citigroup 3-Month U.S. Treasury Bill Index and Lipper Ultra Short Obligations Funds Index are calculated from October 18, 2010 through December 31, 2019.

The total return figures set forth above include all waivers of fees for various periods since inception. Without such fee waivers, the total returns would have been lower.

### USAA Ultra Short-Term Bond Fund – Growth of \$10,000



<sup>1</sup>The unmanaged Citigroup 3-Month U.S. Treasury Bill Index represents the total return received by investors of 3-month U.S. Treasury securities. There are no expenses associated with the index, while there are expenses associated with the Fund. It is not possible to invest directly in an index.

<sup>2</sup>The unmanaged Lipper Ultra Short Obligations Funds Index tracks the total return performance of the 30 largest funds within the Lipper Ultra Short Obligations Funds category. There are no expenses associated with the index, while there are expenses associated with the Fund. It is not possible to invest directly in an index.

The graph reflects investment of growth of a hypothetical \$10,000 investment in the Fund. Past performance is no guarantee of future results.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>3</sup>The performance of the Lipper Ultra Short Obligations Funds Index and Citigroup 3-Month U.S. Treasury Bill Index are calculated from the end of the month, October 31, 2010, while the USAA Ultra Short-Term Bond Fund Shares commenced operations on October 18, 2010. There may be a slight variation of performance numbers because of this difference.

**Investment Objective & Portfolio Holdings:**

The Fund's investment objective seeks to provide high current income consistent with preservation of principal.

**Asset Allocation\***

12/31/19

*(% of Net Assets)*

<i>Corporate Bonds</i>	40.1%
<i>Yankee Dollars</i>	26.5%
<i>Asset Backed Securities</i>	14.6%
<i>Collateralized Mortgage Obligations</i>	11.4%
<i>Municipal Bonds</i>	2.8%
<i>Senior Secured Loans</i>	1.2%
<i>U.S. Treasury Obligations</i>	0.9%
<i>Preferred Stocks</i>	0.3%

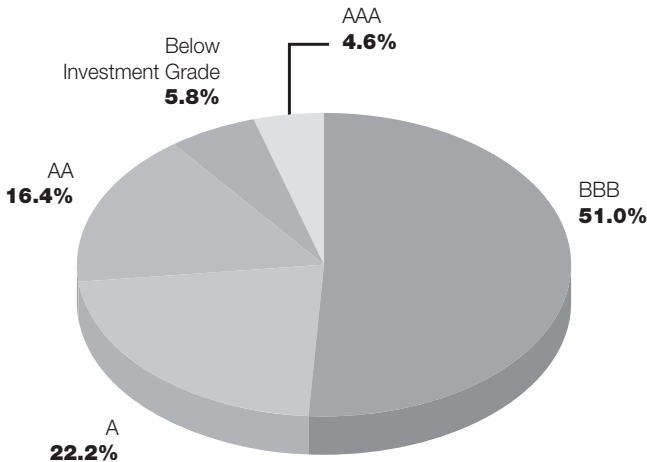
\*Does not include futures, money market instruments and short-term investments purchased with cash collateral from securities loaned.

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

Refer to the Schedule of Portfolio Investments for a complete list of portfolio holdings.



**Portfolio Ratings Mix\***  
**12/31/19**  
**(% of Net Assets)**



This chart reflects the highest long-term rating from a Nationally Recognized Statistical Rating Organization (NRSRO), with the four highest long-term credit ratings labeled, in descending order of credit quality, AAA, AA, A, and BBB. These categories represent investment-grade quality. NRSRO ratings are shown because they provide independent analysis of the credit quality of the Fund's investments. Victory Capital Management, Inc. ("Adviser") also performs its own fundamental credit analysis of each security. As part of its fundamental credit analysis, the Adviser considers various criteria, including industry specific actions, peer comparisons, payment ranking, and structure specific characteristics. Any of the Fund's securities that are not rated by an NRSRO appear in the chart above as "Unrated," but these securities are analyzed and monitored by the Adviser on an ongoing basis. Government securities that are issued or guaranteed as to principal and interest by the U.S. government and pre-refunded and escrowed-to-maturity municipal bonds that are not rated are treated as AAA for credit quality purposes.

\*Does not include futures, money market instruments and short-term investments purchased with cash collateral from securities loaned.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of USAA Ultra Short-Term Bond Fund

### Opinion on the Financial Statements

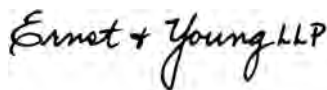
We have audited the accompanying statement of assets and liabilities of USAA Ultra Short-Term Bond Fund (the "Fund") (one of the funds constituting the USAA Mutual Funds Trust (the "Trust")), including the schedule of portfolio investments, as of December 31, 2019, and the related statement of operations 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 at December 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 December 31, 2019, by correspondence with the custodian and agent banks. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The image shows the handwritten signature of Ernst & Young LLP in black ink. The signature is written in a cursive, flowing style and is positioned in the lower right quadrant of the page.

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

San Antonio, Texas  
February 28, 2020

(Amounts in Thousands, Except for Shares)

Security Description	Principal Amount	Value
<b>Asset Backed Securities (14.6%)</b>		
ARI Fleet Lease Trust, Series 2017-A, Class A2, 1.91%, 4/15/26, Callable 12/15/20 @ 100 (a) .....	\$ 161	\$ 161
ARI Fleet Lease Trust, Series 2017-A, Class A3, 2.28%, 4/15/26, Callable 12/15/20 @ 100 (a) .....	1,000	1,001
Avis Budget Rental Car Funding AESOP LLC, Series 2014-2A, Class A, 2.50%, 2/20/21, Callable 2/20/20 @ 100 (a) .....	225	225
Avis Budget Rental Car Funding AESOP LLC, Series 2016-1A, Class C, 4.94%, 6/20/22 (a) .....	2,000	2,046
Bank of The West Auto Trust, Series 2019-1, Class A3, 2.43%, 4/15/24, Callable 7/15/23 @ 100 (a) .....	1,000	1,006
Bank of The West Auto Trust, Series 2019-1, Class A2, 2.40%, 10/17/22, Callable 7/15/23 @ 100 (a) .....	975	977
BCC Funding LLC, Series 2019-1A, Class A2, 2.46%, 8/20/24, Callable 11/20/23 @ 100 (a) .....	1,000	1,000
BCC Funding LLC, Series 2016-1, Class D, 4.78%, 8/20/22, Callable 6/20/20 @ 100 (a) .....	1,950	1,967
Canadian Pacer Auto Receivables Trust, Series 2017-1A, Class A3, 2.05%, 3/19/21, Callable 8/19/20 @ 100 (a) .....	507	507
Canadian Pacer Auto Receivables Trust, Series 2018-1A, Class C, 3.82%, 4/19/24, Callable 4/19/21 @ 100 (a) .....	1,500	1,522
Credit Acceptance Auto Loan Trust, Series 2017-3A, Class A, 2.65%, 6/15/26 (a) ..	800	802
Credit Acceptance Auto Loan Trust, Series 2018-1A, Class B, 3.60%, 4/15/27, Callable 6/15/21 @ 100 (a) .....	1,000	1,017
Drive Auto Receivables Trust, Series 2018-1, Class D, 3.81%, 5/15/24, Callable 8/15/21 @ 100 .....	1,190	1,206
Drive Auto Receivables Trust, Series 2018-2, Class D, 4.14%, 8/15/24, Callable 12/15/21 @ 100 .....	2,000	2,046
Enterprise Fleet Financing LLC, Series 2016-2, Class A3, 2.04%, 2/22/22 (a) .....	1,306	1,305
Exeter Automobile Receivables Trust, Series 2018-3A, Class B, 3.46%, 10/17/22, Callable 3/15/22 @ 100 (a) .....	1,476	1,482
Exeter Automobile Receivables Trust, Series 2018-3A, Class A, 2.90%, 1/18/22, Callable 3/15/22 @ 100 (a) .....	40	40
Exeter Automobile Receivables Trust, Series 2019-4A, Class A, 2.18%, 1/17/23, Callable 10/15/24 @ 100 (a) .....	862	862
First Investors Auto Owner Trust, Series 2016-2A, Class D, 3.35%, 11/15/22, Callable 4/15/21 @ 100 (a) .....	2,250	2,270
Flagship Credit Auto Trust, Series 2016-1, Class C, 6.22%, 6/15/22, Callable 12/15/20 @ 100 (a) .....	2,410	2,472
GreatAmerica Leasing Receivables Funding LLC, Series 2017-1, Class A4, 2.36%, 1/20/23, Callable 12/20/20 @ 100 (a) .....	962	963
Hertz Vehicle Financing LP, Series 2019-1A, Class B, 4.10%, 3/25/23 (a) .....	500	513
Hertz Vehicle Financing LP, Series 2015-1A, Class B, 3.52%, 3/25/21 (a) .....	1,000	1,002
HPEFS Equipment Trust, Series 2019-1A, Class B, 2.32%, 9/20/29, Callable 7/20/22 @ 100 (a) .....	500	500
Hyundai Auto Receivables Trust, Series 2018-A, Class B, 3.14%, 6/17/24, Callable 5/15/22 @ 100 .....	1,000	1,021
Master Credit Card Trust, Series 2017-1A, Class A, 2.26%, 7/21/21 (a) .....	2,000	1,995
Master Credit Card Trust, Series 2019-2A, Class C, 2.83%, 7/21/21 (a) .....	500	500

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

*(Amounts in Thousands, Except for Shares)*

Security Description	Principal Amount	Value
NP SPE LLC, Series 2019-2A, Class A1, 2.86%, 11/19/49 (a) . . . . .	\$ 2,091	\$ 2,087
NP SPE LLC, Series 2017-1A, Class A1, 3.37%, 10/21/47, Callable 10/20/27 @ 100 (a) . . . . .	234	237
OSCAR US Funding Trust LLC, Series 2018-1A, Class A3, 3.23%, 5/10/22 (a) . . . . .	1,500	1,511
OSCAR US Funding Trust LLC, Series 2018-2A, Class A2A, 3.15%, 8/10/21 (a) . . . . .	650	651
Santander Drive Auto Receivables Trust, Series 2018-5, Class C, 3.81%, 12/16/24, Callable 12/15/21 @ 100 . . . . .	1,000	1,015
Santander Drive Auto Receivables Trust, Series 2018-5, Class B, 3.52%, 12/15/22, Callable 12/15/21 @ 100 . . . . .	958	963
Santander Retail Auto Lease Trust, Series 2017-A, Class A3, 2.22%, 1/20/21, Callable 8/20/20 @ 100 (a) . . . . .	741	741
SCF Equipment Leasing LLC, Series 2019-1A, Class A1, 3.04%, 3/20/23, Callable 4/20/20 @ 100 (a) . . . . .	819	821
SCF Equipment Leasing LLC, Series 2019-1A, Class B, 3.49%, 1/20/26, Callable 4/20/20 @ 100 (a) . . . . .	1,000	1,023
SCF Equipment Leasing LLC, Series 2017-2A, Class A, 3.41%, 12/20/23, Callable 1/20/20 @ 100 (a) . . . . .	934	936
Synchrony Credit Card Master Note Trust, Series 2017-1, Class C, 2.56%, 6/15/23 . . . . .	2,000	2,001
Volvo Financial Leasing LLC, Series 2017-1A, Class A3, 1.92%, 3/15/21, Callable 2/15/21 @ 100 (a) . . . . .	258	258
<b>Total Asset Backed Securities (Cost \$42,552)</b>		<b>42,652</b>

**Collateralized Mortgage Obligations (11.4%)**

Austin Fairmont Hotel Trust, Series 2019-FAIR, Class B, 2.99%(LIBOR01M+125bps), 9/15/32 (a) (b) . . . . .	1,000	998
Austin Fairmont Hotel Trust, Series 2019-FAIR, Class C, 3.19%(LIBOR01M+145bps), 9/15/32 (a) (b) . . . . .	1,000	1,001
BBCMS Mortgage Trust, Series 2019-BWAY, Class B, 3.05%(LIBOR01M+131bps), 11/25/34 (a) (b) . . . . .	1,000	993
BX Commercial Mortgage Trust, Series 2019-XL, Class C, 2.99%(LIBOR01M+125bps), 10/15/36 (a) (b) . . . . .	1,000	1,001
CIFC Funding Ltd., Series 2012-2RA, Class A1, 2.77%(LIBOR03M+80bps), 1/20/28, Callable 1/20/20 @ 100 (a) (b) . . . . .	1,000	998
CIFC Funding Ltd., Series 2015-5A, Class A1R, 2.80%(LIBOR03M+86bps), 10/25/27, Callable 1/25/20 @ 100 (a) (b) . . . . .	2,000	1,997
COMM Mortgage Trust, Series 2019-521F, Class B, 2.84%, 6/15/34 (a) (c) . . . . .	1,500	1,491
Commercial Mortgage Trust, Series 2006-GG7, Class AM, 5.62%, 7/10/38 (c) . . . . .	310	315
FREMF Mortgage Trust, Series 2010-K6, Class B, 5.40%, 1/25/20 (a) (c) . . . . .	2,800	2,802
FREMF Mortgage Trust, Series 2017-K724, Class B, 3.49%, 11/25/23 (a) (c) . . . . .	1,000	1,021
GS Mortgage Securities Trust, Series 2011-GC3, Class X, 0.66%, 3/10/44 (a) (c) . . . . .	24,610	112
Holmes Master Issuer PLC, Series 2018-1A, Class A2, 2.36%(LIBOR03M+36bps), 10/15/54, Callable 1/15/20 @ 100 (a) (b) . . . . .	1,314	1,314
Hospitality Mortgage Trust, Series 2019-HIT, Class B, 3.09%, 11/15/36 (a) (c) . . . . .	1,397	1,393
JPMBB Commercial Mortgage Securities Trust, Series 2014-C19, Class XA, 0.75%, 4/15/47 (c) (d) . . . . .	5,942	126
KNDL Mortgage Trust, Series 2019-KNSQ, Class B, 2.69%, 5/15/36 (a) (c) . . . . .	1,000	1,000
LSTAR Commercial Mortgage Trust, Series 2017-5, Class A1, 2.42%, 3/10/50 (a) . . . . .	259	259
Madison Park Funding Ltd., Series 2013-11A, Class AR, 3.09%(LIBOR03M+116bps), 7/23/29, Callable 1/23/20 @ 100 (a) (b) . . . . .	2,000	2,001

*See notes to financial statements.*

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

(Amounts in Thousands, Except for Shares)

Security Description	Shares or Principal Amount	Value
Magnetite Ltd., Series 2019-21A, Class A, 3.25%(LIBOR03M+128bps), 4/20/30, Callable 4/20/20 @ 100 (a) (b) . . . . .	\$ 1,500	\$ 1,500
Morgan Stanley Capital I Trust, Series 2017-CLS, Class A, 2.44%(LIBOR01M+70bps), 11/15/34 (a) (b) . . . . .	2,000	1,997
Morgan Stanley Capital I Trust, Series 2019-NUGS, Class B, 3.05%(LIBOR01M+130bps), 12/15/21 (a) (b) . . . . .	1,154	1,154
Octagon Investment Partners 25 Ltd., Series 2015-1A, Class AR, 2.77%(LIBOR03M+80bps), 10/20/26, Callable 1/20/20 @ 100 (a) (b) . . . . .	1,500	1,497
Palmer Square Loan Funding Ltd., Series 2019-4A, Class A1, 2.84%(LIBOR03M+90bps), 10/24/27, Callable 10/24/20 @ 100 (a) (b) . . . . .	1,000	1,000
Palmer Square Loan Funding Ltd., Series 2018-2A, Class A1, 2.65%(LIBOR03M+65bps), 7/15/26, Callable 1/20/20 @ 100 (a) (b) . . . . .	1,005	1,003
Palmer Square Loan Funding Ltd., Series 2018-2A, Class A2, 3.05%(LIBOR03M+105bps), 7/15/26, Callable 1/15/20 @ 100 (a) (b) . . . . .	500	496
Palmer Square Loan Funding Ltd., Series 2018-5A, Class A1, 2.82%(LIBOR03M+85bps), 1/20/27, Callable 1/20/20 @ 100 (a) (b) . . . . .	803	802
Sound Point CLO VIII-R Ltd., Series 2015-1RA, Class A, 3.36%(LIBOR03M+136bps), 4/15/30, Callable 4/15/20 @ 100 (a) (b) . . . . .	1,500	1,500
Sound Point CLO X Ltd., Series 2015-3A, Class AR, 2.86%(LIBOR03M+89bps), 1/20/28, Callable 1/20/20 @ 100 (a) (b) . . . . .	2,000	1,998
Tryon Park CLO Ltd., Series 2013-1A, Class A1SR, 2.89%(LIBOR03M+89bps), 4/15/29, Callable 1/15/20 @ 100 (a) (b) . . . . .	1,610	1,609
<b>Total Collateralized Mortgage Obligations (Cost \$33,176)</b>		<b>33,378</b>

**Preferred Stocks (0.3%)**

<b>Communication Services (0.3%):</b>		
Centaur Funding Corp., cumulative redeemable, 9.08%, 4/21/20 (a) . . . . .	1,000	1,020
<b>Total Preferred Stock (Cost \$1,065)</b>		<b>1,020</b>

**Senior Secured Loans (1.2%)**

AES Corp., Term Loan B1, 3.66% (LIBOR03M+175bps), 5/24/22, (b) . . . . .	102	102
Boyd Gaming Corp., Term Loan A1, 3.60% (LIBOR01W+200bps), 9/15/21 (b) . . . . .	728	725
GLP Capital LP, Term Loan A1, 3.19% (LIBOR01M+150bps), 4/28/21 (b) . . . . .	2,566	2,559
<b>Total Senior Secured Loans (Cost \$3,394)</b>		<b>3,386</b>

**Corporate Bonds (40.1%)**

<b>Communication Services (1.1%):</b>		
AMC Networks, Inc., 4.75%, 12/15/22, Callable 2/13/20 @ 100.79 . . . . .	1,000	1,010
Charter Communications Operating LLC/Charter Communications Operating Capital, 3.56%(LIBOR03M+165bps), 2/1/24, Callable 1/1/24 @ 100 (b) . . . . .	2,000	2,060
		<u>3,070</u>
<b>Consumer Discretionary (2.8%):</b>		
Daimler Finance North America LLC 2.35%(LIBOR03M+45bps), 2/22/21 (a) (b) . . . . .	1,390	1,391
2.81%(LIBOR03M+90bps), 2/15/22 (a) (b) . . . . .	1,000	1,008
General Motors Co., 2.69% (LIBOR03M+80bps), 8/7/20 (b) . . . . .	2,000	2,002

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

*(Amounts in Thousands, Except for Shares)*

Security Description	Principal Amount	Value
Newell Brands, Inc., 3.15%, 4/1/21, Callable 3/1/21 @ 100	\$ 1,183	\$ 1,193
Nissan Motor Acceptance Corp.		
2.55%, 3/8/21 (a)	1,000	1,003
2.65%(LIBOR03M+69bps), 9/28/22 (a) (b)	500	499
Volkswagen Group of America Finance LLC, 2.79% (LIBOR03M+86bps), 9/24/21 (a) (b)	1,000	1,007
		<u>8,103</u>
<b>Consumer Staples (1.0%):</b>		
Kraft Heinz Foods Co., 2.47% (LIBOR03M+57bps), 2/10/21 (b)	1,000	1,001
Smithfield Foods, Inc., 2.65%, 10/3/21, Callable 9/3/21 @ 100 (a)	1,815	1,806
		<u>2,807</u>
<b>Energy (9.0%):</b>		
Antero Resources Corp., 5.13%, 12/1/22, Callable 2/13/20 @ 101.28	2,000	1,790
Buckeye Partners LP, 4.15%, 7/1/23, Callable 4/1/23 @ 100	2,000	2,004
Columbia Pipeline Group, Inc., 3.30%, 6/1/20, Callable 5/1/20 @ 100	780	782
DCP Midstream Operating, LP, 3.88%, 3/15/23, Callable 12/15/22 @ 100	2,000	2,053
Enable Midstream Partners LP, 3.90%, 5/15/24, Callable 2/15/24 @ 100	1,000	1,024
Energy Transfer Operating LP, 7.50%, 10/15/20	1,285	1,336
EQM Midstream Partners LP, 4.00%, 8/1/24, Callable 5/1/24 @ 100	1,000	970
IFM US Colonial Pipeline LLC, 6.45%, 5/1/21 (a)	1,595	1,666
Midwest Connector Capital Co. LLC, 3.63%, 4/1/22, Callable 3/1/22 @ 100 (a)	1,000	1,027
MPLX LP, 2.99% (LIBOR03M+110bps), 9/9/22, Callable 9/9/20 @ 100 (b)	2,000	2,006
NGPL PipeCo LLC, 4.38%, 8/15/22, Callable 5/15/22 @ 100 (a)	1,370	1,423
Nustar Logistics LP, 4.80%, 9/1/20	2,000	2,026
Occidental Petroleum Corp., 3.36%(LIBOR03M+145bps), 8/15/22, Callable 8/15/20 @ 100 (b)	2,000	2,013
Plains All American Pipeline LP/PAA Finance Corp., 2.85%, 1/31/23, Callable 10/31/22 @ 100	970	978
Rockies Express Pipeline LLC, 5.63%, 4/15/20 (a)	2,000	2,015
Targa Resources Partners LP/Targa Resources Partners Finance Corp., 5.25%, 5/1/23, Callable 2/13/20 @ 100.88	1,140	1,152
Western Midstream Operating LP, 4.00%, 7/1/22, Callable 4/1/22 @ 100	2,045	2,103
		<u>26,368</u>
<b>Financials (16.4%):</b>		
AIG Global Funding, 2.60%(LIBOR03M+65bps), 1/22/21 (a) (b)	467	470
Ally Financial, Inc., 4.63%, 5/19/22	1,000	1,049
Ares Capital Corp., 3.50%, 2/10/23, Callable 1/10/23 @ 100	2,000	2,038
Assurant, Inc., 3.20%(LIBOR03M+125bps), 3/26/21, Callable 1/29/20 @ 100 (b)	500	500
Athene Global Funding, 3.00%, 7/1/22 (a)	1,000	1,018
Bank of America Corp., 2.68%(LIBOR03M+79bps), 3/5/24, Callable 3/5/23 @ 100 (b)	2,000	2,009
BBVA USA, 2.62%(LIBOR03M+73bps), 6/11/21, Callable 5/11/21 @ 100 (b)	825	825
BMW US Capital LLC, 2.53%(LIBOR03M+53bps), 4/14/22 (a) (b)	1,000	1,002
Cantor Fitzgerald LP, 4.88%, 5/1/24, Callable 4/1/24 @ 100 (a)	1,000	1,067
Capital One NA, 2.72%(LIBOR03M+82bps), 8/8/22, Callable 7/8/22 @ 100 (b)	2,800	2,819
Citibank NA, 2.50%(LIBOR03M+60bps), 5/20/22, Callable 5/20/21 @ 100 (b)	1,500	1,505
Citigroup, Inc., 2.63%(LIBOR03M+69bps), 10/27/22, Callable 9/27/22 @ 100 (b)	885	891

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

*(Amounts in Thousands, Except for Shares)*

Security Description	Principal Amount	Value
Citizens Bank NA, 2.20%, 5/26/20, Callable 4/26/20 @ 100	\$ 2,000	\$ 2,001
DAE Funding LLC		
4.50%, 8/1/22, Callable 2/13/20 @ 102.25 (a)	1,000	1,020
5.75%, 11/15/23, Callable 11/15/20 @ 102.88 (a)	1,000	1,050
Ford Motor Credit Co. LLC		
2.33% (LIBOR03M+43bps), 11/2/20 (b)	500	499
2.88% (LIBOR03M+88bps), 10/12/21 (b)	930	923
3.10%, 5/4/23	1,000	998
FS KKR Capital Corp., 4.13%, 2/1/25, Callable 1/1/25 @ 100	1,000	1,015
Hyundai Capital America, 2.75%, 9/18/20 (a)	2,000	2,007
Jackson National Life Global Funding, 2.60%, 12/9/20 (a)	1,350	1,357
JPMorgan Chase & Co., 2.59% (LIBOR03M+68bps), 6/1/21, Callable 6/1/20 @ 100 (b)	2,000	2,004
Main Street Capital Corp.		
4.50%, 12/1/22	1,000	1,048
5.20%, 5/1/24	1,000	1,078
Manufactures & Traders Trust Co., 2.55% (LIBOR03M+64bps), 12/1/21, Callable 2/13/20 @ 100 (b)	3,000	3,000
Metropolitan Life Global Funding, 3.45%, 10/9/21 (a)	1,000	1,027
Mobr-04 LLC(LOC — Compass Bank), 2.96%, 9/1/24 (i)	3,350	3,349
Morgan Stanley, 2.45% (LIBOR03M+55bps), 2/10/21, Callable 2/10/20 @ 100 (b)	2,000	2,001
Protective Life Global Funding		
2.70%, 11/25/20 (a)	535	538
2.48% (LIBOR03M+52bps), 6/28/21 (a) (b)	1,000	1,005
Regions Bank, 2.48% (LIBOR03M+38bps), 4/1/21, Callable 3/1/21 @ 100 (b)	1,240	1,240
SunTrust Bank, 2.49% (LIBOR03M+59bps), 5/17/22, Callable 4/17/22 @ 100 (b)	1,000	1,002
Synchrony Bank, 2.59% (LIBOR03M+63bps), 3/30/20 (b)	700	701
The Goldman Sachs Group, Inc., 2.71% (LIBOR03M+78bps), 10/31/22, Callable 10/31/21 @ 100 (b)	1,000	1,007
The Huntington National Bank, 2.40%, 4/1/20, Callable 3/1/20 @ 100	740	740
Wells Fargo Bank NA, 2.54% (LIBOR03M+66bps), 9/9/22, Callable 9/9/21 @ 100 (b)	2,000	2,011
		<u>47,814</u>
<b>Health Care (1.5%):</b>		
Amgen, Inc., 3.45%, 10/1/20	2,000	2,022
Centene Corp., 4.75%, 5/15/22, Callable 2/13/20 @ 102.38	1,000	1,022
Fresenius US Finance II, Inc., 4.50%, 1/15/23, Callable 10/17/22 @ 100 (a)	1,303	1,372
		<u>4,416</u>
<b>Industrials (4.0%):</b>		
American Airlines Pass Through Trust		
5.63%, 7/15/22 (a)	1,089	1,101
4.38%, 12/15/25 (a)	1,095	1,125
Arconic, Inc., 5.40%, 4/15/21, Callable 1/15/21 @ 100	1,000	1,030
BAE Systems Holdings, Inc., 2.85%, 12/15/20, Callable 11/15/20 @ 100 (a)	1,000	1,006
Continental Airlines Pass Through Trust, 6.25%, 4/11/20	734	740
Penske Truck Leasing Co. LP/PTL Finance Corp., 3.20%, 7/15/20, Callable 6/15/20 @ 100 (a)	640	643
Ryder System, Inc., 2.50%, 5/11/20, MTN, Callable 4/11/20 @ 100	1,000	1,001

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

*(Amounts in Thousands, Except for Shares)*

Security Description	Principal Amount	Value
Spirit Airlines Pass Through Trust, 4.45%, 10/1/25 .....	\$ 1,785	\$ 1,844
United Airlines Pass Through Trust, 4.63%, 3/3/24 .....	911	934
Wabtec Corp., 3.19% (LIBOR03M+105bps), 9/15/21, Callable 1/29/20 @ 100 (b) .....	2,083	2,083
		<u>11,507</u>
<b>Information Technology (0.3%):</b>		
Broadcom, Inc., 3.13%, 4/15/21 (a) .....	1,000	1,012
<b>Materials (1.0%):</b>		
Albemarle Corp., 2.50% (LIBOR03M+105bps), 11/15/22, Callable 11/15/20 @ 100 (a) (b) .....	636	639
Carpenter Technology Corp., 5.20%, 7/15/21, Callable 4/15/21 @ 100 .....	1,500	1,542
NewMarket Corp., 4.10%, 12/15/22 .....	857	899
		<u>3,080</u>
<b>Real Estate (1.6%):</b>		
Lexington Realty Trust, 4.25%, 6/15/23, Callable 3/15/23 @ 100 .....	1,000	1,030
Office Properties Income Trust 3.60%, 2/1/20 .....	2,000	2,001
4.15%, 2/1/22, Callable 12/1/21 @ 100 .....	1,169	1,197
Senior Housing Properties Trust, 6.75%, 4/15/20, Callable 2/13/20 @ 100 (e) .....	500	501
		<u>4,729</u>
<b>Utilities (1.4%):</b>		
Mississippi Power Co., 2.60% (LIBOR03M+65bps), 3/27/20, Callable 2/13/20 @ 100 (b) .....	1,071	1,068
SCANA Corp., 4.13%, 2/1/22, Callable 11/1/21 @ 100 .....	1,444	1,482
Southern Power Co., 2.75%, 9/20/23, Callable 7/20/23 @ 100 .....	1,500	1,509
		<u>4,059</u>
<b>Total Corporate Bonds (Cost \$116,407)</b>		<u>116,965</u>

**Yankee Dollars (26.5%)**

<b>Communication Services (0.6%):</b>		
Pearson Funding Four PLC, 3.75%, 5/8/22 (a) .....	1,622	1,633
<b>Consumer Staples (0.7%):</b>		
Hutchison Whampoa International Ltd., 4.63%, 1/13/22 (a) .....	1,000	1,044
Reckitt Benckiser Treasury Services PLC, 2.49% (LIBOR03M+56bps), 6/24/22 (a) (b) .....	1,000	1,003
		<u>2,047</u>
<b>Financials (19.0%):</b>		
ABN AMRO Bank NV, 2.38% (LIBOR03M+41bps), 1/19/21 (a) (b) .....	1,000	1,002
ANZ New Zealand International Ltd., 2.94% (LIBOR03M+101bps), 7/28/21 (a) (b) .....	800	809
Australia & New Zealand Banking Group Ltd., 2.36% (LIBOR03M+46bps), 5/17/21 (b) .....	1,250	1,255
Banco Santander SA 3.00% (LIBOR03M+109bps), 2/23/23 (b) .....	1,000	1,006
3.12% (LIBOR03M+112bps), 4/12/23 (b) .....	1,000	1,007
Barclays PLC, 3.34% (LIBOR03M+143bps), 2/15/23, Callable 2/15/22 @ 100 (b) ...	1,000	1,009

See notes to financial statements.



**USAA Ultra Short-Term Bond Fund**

December 31, 2019

*(Amounts in Thousands, Except for Shares)*

Security Description	Principal Amount	Value
BBVA Bancomer SA		
7.25%, 4/22/20 (a) .....	\$ 1,000	\$ 1,014
6.50%, 3/10/21 (a) .....	2,149	2,243
BNP Paribas SA, 3.50%, 3/1/23 (a) .....	1,100	1,139
Canadian Imperial Bank of Commerce, 2.22% (LIBOR03M+32bps), 2/2/21 (b) .....	1,000	1,002
Commonwealth Bank of Australia, 2.72% (LIBOR03M+83bps), 9/6/21 (a) (b) .....	2,000	2,019
Cooperatieve Rabobank UA, 2.49% (LIBOR03M+48bps), 1/10/23 (b) .....	2,500	2,500
Credit Agricole SA, 2.96% (LIBOR03M+102bps), 4/24/23 (a) (b) .....	2,000	2,021
Credit Suisse Group Funding Guernsey Ltd., 4.29% (LIBOR03M+229bps), 4/16/21 (b) .....	700	717
Deutsche Bank AG, 2.97% (LIBOR03M+97bps), 7/13/20 (b) .....	3,000	2,998
HSBC Holdings PLC, 2.50% (LIBOR03M+60bps), 5/18/21, Callable 5/18/20 @ 100 (b) .....	2,000	2,002
ING Bank NV, 2.79% (LIBOR03M+88bps), 8/15/21 (a) (b) .....	2,000	2,019
Lloyds Bank PLC		
3.30%, 5/7/21 .....	1,000	1,018
2.38% (LIBOR03M+49bps), 5/7/21 (b) .....	525	526
Mitsubishi UFJ Financial Group, Inc., 2.59% (LIBOR03M+65bps), 7/26/21 (b) .....	1,000	1,005
National Australia Bank Ltd.		
2.61% (LIBOR03M+71bps), 11/4/21 (a) (b) .....	1,000	1,008
2.60% (LIBOR03M+60bps), 4/12/23 (a) (b) .....	1,000	1,006
Nordea Bank Abp		
4.88%, 5/13/21 (a) .....	450	465
2.85% (LIBOR03M+94bps), 8/30/23 (a) (b) .....	1,000	997
Park Aerospace Holdings Ltd., 5.25%, 8/15/22, Callable 7/15/22 @ 100 (a) .....	2,000	2,134
Royal Bank of Canada, 1.88%, 2/5/20 .....	3,000	2,999
Royal Bank of Scotland Group PLC, 6.13%, 12/15/22 .....	2,000	2,189
Santander UK PLC, 2.53% (LIBOR03M+62bps), 6/1/21 (b) .....	2,000	2,007
Skandinaviska Enskilda Banken AB, 2.52% (LIBOR03M+65bps), 12/12/22 (a) (b) .....	2,000	2,010
Standard Chartered PLC		
3.05%, 1/15/21 (a) .....	1,000	1,009
3.12% (LIBOR03M+115bps), 1/20/23, Callable 1/20/22 @ 100 (a) (b) .....	2,000	2,013
Sumitomo Mitsui Financial Group, Inc., 2.78% (LIBOR03M+78bps), 7/12/22 (b) .....	1,000	1,005
Suncorp-Metway Ltd., 2.38%, 11/9/20 (a) (e) .....	1,000	1,003
Svenska Handelsbanken AB, 3.11% (LIBOR03M+115bps), 3/30/21 (b) .....	1,500	1,518
Swedbank AB, 2.59% (LIBOR03M+70bps), 3/14/22 (a) (b) .....	500	500
The Toronto-Dominion Bank, 2.25%, 3/15/21 (a) .....	2,000	2,010
UBS Group Funding Switzerland AG, 2.86% (LIBOR03M+95bps), 8/15/23, Callable 8/15/22 @ 100 (a) (b) .....	2,000	2,015
Westpac Banking Corp., 2.75% (LIBOR03M+85bps), 8/19/21 (b) .....	1,000	1,009
		<u>55,208</u>
<b>Industrials (3.0%):</b>		
Aercap Ireland Capital DAC/Aercap Global Aviation Trust		
5.00%, 10/1/21 .....	1,000	1,047
4.45%, 12/16/21, Callable 11/16/21 @ 100 .....	1,000	1,041
Air Canada Pass Through Trust, 5.38%, 11/15/22 (a) .....	2,714	2,783
Aircastle Ltd., 4.40%, 9/25/23, Callable 8/25/23 @ 100 .....	2,000	2,119
CK Hutchison International Ltd., 2.25%, 9/29/20 (a) .....	2,000	2,000
		<u>8,990</u>

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

(Amounts in Thousands, Except for Shares)

Security Description	Principal Amount	Value
<b>Materials (1.9%):</b>		
Braskem Netherlands Finance BV, 3.50%, 1/10/23 (a) .....	\$ 1,000	\$ 1,016
Methanex Corp., 5.25%, 3/1/22 .....	1,085	1,138
Syngenta Finance NV, 3.70%, 4/24/20 (a) .....	2,000	2,006
Teck Resources, Ltd., 4.50%, 1/15/21, Callable 10/15/20 @ 100 .....	1,424	1,444
		<u>5,604</u>
<b>Real Estate (0.3%):</b>		
Scentre Group Trust 1/Scentre Group Trust 2, 2.38%, 4/28/21, Callable 3/29/21 @ 100 (a) .....	1,000	1,001
<b>Utilities (1.0%):</b>		
PPL WEM Ltd./Western Power Distribution Ltd., 5.38%, 5/1/21, Callable 2/1/21 @ 100 (a) .....	2,582	2,659
<b>Total Yankee Dollars (Cost \$76,482)</b>		<u>77,142</u>

**Municipal Bonds (2.8%)**

<b>Arizona (0.4%):</b>		
City of Phoenix Civic Improvement Corp., 2.20%, 7/1/23 .....	1,000	1,002
<b>Michigan (0.3%):</b>		
Michigan Finance Authority, 2.14%, 12/1/22 .....	1,000	1,000
<b>New Jersey (0.9%):</b>		
Economic Development Authority, 3.80%, 6/15/20 .....	500	503
New Jersey Economic Development Authority		
2.61%, 6/15/22 .....	500	501
2.78%, 6/15/23 .....	408	409
Series NNN, 2.88%, 6/15/24 .....	322	323
New Jersey Transportation Trust Fund Authority, 2.55%, 6/15/23 .....	850	854
		<u>2,590</u>
<b>Ohio (0.3%):</b>		
American Municipal Power, Inc., 2.22%, 2/15/23 .....	1,000	1,000
<b>Pennsylvania (0.2%):</b>		
State Public School Building Authority, 2.62%, 4/1/23 .....	450	450
<b>South Dakota (0.4%):</b>		
South Dakota Health & Educational Facilities Authority, 2.18%, 7/1/21 .....	1,000	1,001
<b>Wisconsin (0.3%):</b>		
Public Finance Authority(LOC-Citizens Financial Group), 2.75%, 6/1/20, Continuously Callable @100 .....	1,000	1,000
<b>Total Municipal Bonds (Cost \$8,030)</b>		<u>8,043</u>

**U.S. Treasury Obligations (0.9%)**

<b>U.S. Treasury Bills</b>		
0.95%, 1/7/20 (f) .....	500	500
1.32%, 1/21/20 (f) .....	1,000	999
U.S. Treasury Notes, 2.25%, 4/30/21 .....	1,000	1,009
<b>Total U.S. Treasury Obligations (Cost \$2,507)</b>		<u>2,508</u>

See notes to financial statements.

**USAA Ultra Short-Term Bond Fund**

December 31, 2019

(Amounts in Thousands, Except for Shares)

Security Description	Shares or Principal Amount	Value
<b>Commercial Paper (1.6%)</b>		
Caterpillar Financial Services Corp., 1.60%, 1/2/20 (f) .....	\$ 2,000	\$ 2,000
McCormick & Co., Inc., 1.79%, 1/2/20 (f) .....	1,600	1,599
Stanley Black & Decker, Inc., 1.79%, 1/6/20 (f) .....	1,000	1,000
<b>Total Commercial Paper (Cost \$4,600)</b>		<b>4,599</b>
<b>Collateral for Securities Loaned (0.0%)<sup>(g)</sup></b>		
HSBC U.S. Government Money Market Fund, I Shares, 1.53% (h) .....	77,970	78
<b>Total Collateral for Securities Loaned (Cost \$78)</b>		<b>78</b>
<b>Total Investments (Cost \$288,291) — 99.4%</b>		<b>289,771</b>
<b>Other assets in excess of liabilities — 0.6%</b>		<b>1,757</b>
<b>NET ASSETS — 100.00%</b>		<b>\$291,528</b>

<sup>^</sup> Purchased with cash collateral from securities on loan.

- (a) Rule 144A security or other security that is restricted as to resale to institutional investors. The Fund's Adviser has deemed this security to be liquid based upon procedures approved by the Board of Trustees. As of December 31, 2019, the fair value of these securities was \$143,238 thousands and amounted to 49.1% of net assets.
- (b) Variable or Floating-Rate Security. Rate disclosed is as of December 31, 2019.
- (c) The rate for certain asset-backed and mortgage backed securities may vary based on factors relating to the pool of assets underlying the security. The rate disclosed is the rate in effect at December 31, 2019.
- (d) Interest only security.
- (e) All or a portion of this security is on loan.
- (f) Rate represents the effective yield at December 31, 2019.
- (g) Amount represents less than 0.05% of net assets.
- (h) Rate disclosed is the daily yield on December 31, 2019.
- (i) Variable Rate Demand Notes that provide the rights to sell the security at face value on either that day or within the rate-reset period. The interest rate is reset on the put date at a stipulated daily, weekly, monthly, quarterly, or other specified time interval to reflect current market conditions. These securities do not indicate a reference rate and spread in their description.

bps — Basis points

LIBOR — London InterBank Offered Rate

LIBOR01M — 1 Month US Dollar LIBOR, rate disclosed as of December 31, 2019, based on the last reset date of the security

LIBOR01W — 1 Week US Dollar LIBOR, rate disclosed as of December 31, 2019, based on the last reset date of the security

LIBOR03M — 3 Month US Dollar LIBOR, rate disclosed as of December 31, 2019, based on the last reset date of the security

See notes to financial statements.

LLC — Limited Liability Company

LP — Limited Partnership

MTN — Medium Term Note

PLC — Public Limited Company

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

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

## Statement of Assets and Liabilities

USAA Mutual Funds Trust

December 31, 2019

*(Amounts in Thousands, Except Per Share Amounts)*

	<b>USAA Ultra Short-Term Bond Fund</b>
<b>Assets:</b>	
Investments, at value (Cost \$288,291)	\$289,771(a)
Cash and cash equivalents	83
Receivables:	
Interest and dividends	1,659
Capital shares issued	445
Investments sold	8
From Adviser	7
Prepaid expenses	11
Total assets	291,984
<b>Liabilities:</b>	
Payables:	
Collateral received on loaned securities	78
Distributions payable	19
Capital shares redeemed	151
Accrued expenses and other payables:	
Investment advisory fees	59
Administration fees	36
Custodian fees	30
Transfer agent fees	29
Chief Compliance Officer fees	—(b)
Trustees' fees	2
Other accrued expenses	52
Total liabilities	456
<b>Net Assets:</b>	
Capital	292,788
Total distributable earnings/(loss)	(1,260)
Net assets	\$291,528
Net Assets	
Fund Shares	\$275,168
Institutional Shares	9,842
R6 Shares	6,518
Total	\$291,528
Shares (unlimited number of shares authorized with no par value):	
Fund Shares	27,381
Institutional Shares	979
R6 Shares	650
Total	29,010
Net asset value, offering and redemption price per share: (c)	
Fund Shares	\$ 10.05
Institutional Shares	10.05
R6 Shares	10.05

(a) Includes \$75 of securities on loan.

(b) Rounds to less than \$1.

(c) Per share amount may not recalculate due to rounding of net assets and/or shares outstanding.

*See notes to financial statements.*

**Statement of Operations**

For the Year Ended December 31, 2019

USAA Mutual Funds Trust

*(Amounts in Thousands)*

	<b>USAA Ultra Short-Term Bond Fund</b>
<b>Investment Income:</b>	
Dividends	\$ 133
Interest	9,702
Securities lending (net of fees)	3
Foreign tax withholding	(3)
Total Income	9,835
<b>Expenses:</b>	
Investment advisory fees	715
Administration fees — Fund Shares	420
Administration fees — Institutional Shares	12
Administration fees — R6 Shares	3
Sub-Administration fees	10
Professional fees	1
Custodian fees	89
Transfer agent fees — Fund Shares	284
Transfer agent fees — Institutional Shares	12
Transfer agent fees — R6 Shares	1
Trustees' fees	41
Compliance fees	1
Legal and audit fees	102
State registration and filing fees	64
Other expenses	100
Total Expenses	1,855
Expenses waived/reimbursed by Adviser	(27)
Expenses waived/reimbursed by AMCO	(24)
Net Expenses	1,804
Net Investment Income (Loss)	8,031
<b>Realized/Unrealized Gains (Losses) from Investments:</b>	
Net realized gains (losses) from securities transactions	1,015
Net change in unrealized appreciation/depreciation on securities transactions	3,778
Net realized/unrealized gains (losses) on investments	4,793
Change in net assets resulting from operations	\$12,824

See notes to financial statements.

*(Amounts in Thousands)*

	USAA Ultra Short-Term Bond Fund	
	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>From Investments:</b>		
<b>Operations:</b>		
Net investment income (loss)	\$ 8,031	\$ 6,839
Net realized gains (losses) from investments	1,015	72
Net change in unrealized appreciation/depreciation on investments	3,778	(2,666)
<b>Change in net assets resulting from operations</b>	<b>12,824</b>	<b>4,245</b>
<b>Distributions to Shareholders:</b>		
Fund Shares	(7,510)	(6,578)
Institutional Shares	(341)	(141)
R6 Shares	(153)	(120)
<b>Change in net assets resulting from distributions to shareholders</b>	<b>(8,004)</b>	<b>(6,839)</b>
<b>Change in net assets resulting from capital transactions</b>	<b>(10,474)</b>	<b>(42,872)</b>
<b>Change in net assets</b>	<b>(5,654)</b>	<b>(45,466)</b>
<b>Net Assets:</b>		
Beginning of period	297,182	342,648
End of period	\$ 291,528	\$ 297,182
<b>Capital Transactions:</b>		
<b>Fund Shares</b>		
Proceeds from shares issued	\$ 83,733	\$ 104,043
Distributions reinvested	7,296	6,397
Cost of shares redeemed	(104,187)	(154,616)
<b>Total Fund Shares</b>	<b>\$ (13,158)</b>	<b>\$ (44,176)</b>
<b>Institutional Shares</b>		
Proceeds from shares issued	\$ 15,518	\$ 10,468
Distributions reinvested	334	129
Cost of shares redeemed	(14,624)	(9,223)
<b>Total Institutional Shares</b>	<b>\$ 1,228</b>	<b>\$ 1,374</b>
<b>R6 Shares</b>		
Proceeds from shares issued	\$ 2,228	\$ 13
Distributions reinvested	8	1
Cost of shares redeemed	(780)	(84)
<b>Total R6 Shares</b>	<b>\$ 1,456</b>	<b>\$ (70)</b>
<b>Change in net assets resulting from capital transactions</b>	<b>\$ (10,474)</b>	<b>\$ (42,872)</b>

*(continues on next page)*

See notes to financial statements.

*(Amounts in Thousands)*

	USAA Ultra Short-Term Bond Fund	
	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Share Transactions:</b>		
<b>Fund Shares</b>		
Issued	8,379	10,484
Reinvested	729	644
Redeemed	(10,424)	(15,577)
<b>Total Fund Shares</b>	<b>(1,316)</b>	<b>(4,449)</b>
<b>Institutional Shares</b>		
Issued	1,554	1,055
Reinvested	33	14
Redeemed	(1,461)	(929)
<b>Total Institutional Shares</b>	<b>126</b>	<b>140</b>
<b>R6 Shares</b>		
Issued	223	1
Reinvested	1	—(a)
Redeemed	(78)	(8)
<b>Total R6 Shares</b>	<b>146</b>	<b>(7)</b>
<b>Change in Shares</b>	<b>(1,044)</b>	<b>(4,316)</b>

(a) Amount is less than 500 shares.

See notes to financial statements.



For a Share Outstanding Throughout Each Period

	Investment Activities				Distributions to Shareholders From	
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investments
<b>USAA Ultra Short-Term Bond Fund</b>						
<b>Fund Shares</b>						
Year Ended						
December 31, 2019	\$ 9.89	0.27(d)	0.16	0.43	(0.27)	—
Year Ended						
December 31, 2018	\$ 9.97	0.22	(0.08)	0.14	(0.22)	—
Year Ended						
December 31, 2017	\$ 9.98	0.16	(0.01)	0.15	(0.16)	—
Year Ended						
December 31, 2016	\$ 9.94	0.13	0.04	0.17	(0.13)	—(f)
Year Ended						
December 31, 2015	\$10.07	0.13	(0.13)	—(f)	(0.13)	—(f)
<b>Institutional Shares</b>						
Year Ended						
December 31, 2019	\$ 9.89	0.27(d)	0.16	0.43	(0.27)	—
Year Ended						
December 31, 2018	\$ 9.97	0.22	(0.08)	0.14	(0.22)	—
Year Ended						
December 31, 2017	\$ 9.98	0.15	(0.01)	0.14	(0.15)	—
Year Ended						
December 31, 2016	\$ 9.94	0.13	0.04	0.17	(0.13)	—(f)
Year Ended						
December 31, 2015	\$10.07	0.13	(0.13)	—(f)	(0.13)	—(f)
<b>R6 Shares</b>						
Year Ended						
December 31, 2019	\$ 9.88	0.29(d)	0.17	0.46	(0.29)	—
Year Ended						
December 31, 2018	\$ 9.97	0.24	(0.09)	0.15	(0.24)	—
March 1, 2017 (h) through						
December 31, 2017	\$ 9.98	0.15	(0.01)	0.14	(0.15)	—

\* 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.

^ The net expense ratio may not correlate to the applicable expense limits in place during the period since the current contractual expense limitation is applied for a two-year period beginning July 1, 2019, and in effect through June 30, 2021, instead of coinciding with the Fund's fiscal year end. Details of the current contractual expense limitation in effect can be found in Note 4 of the accompanying Notes to Financial Statements.

(a) Not annualized for periods less than one year.

(b) Annualized for periods less than one year.

(c) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(d) Per share net investment income (loss) has been calculated using the average daily shares method.

See notes to financial statements.

For a Share Outstanding Throughout Each Period

Total Distributions	Net Asset Value, End of Period	Ratios to Average Net Assets				Supplemental Data	
		Total Return*(a)	Net Expenses^(b)	Net Investment Income (Loss)(b)	Gross Expenses(b)	Net Assets, End of Period (000's)	Portfolio Turnover(a)(c)
(0.27)	\$10.05	4.37%	0.61%	2.69%	0.61%	\$275,168	59%
(0.22)	\$ 9.89	1.40%	0.60%	2.19%	0.60%	\$283,769	48%
(0.16)	\$ 9.97	1.51%	0.58%	1.60%	0.58%	\$330,442	58%(e)
(0.13)	\$ 9.98	1.73%	0.61%	1.30%	0.61%	\$372,155	28%
(0.13)	\$ 9.94	0.01%	0.59%	1.28%	0.59%	\$426,994	20%
(0.27)	\$10.05	4.43%	0.55%	2.75%	0.64%	\$ 9,842	59%
(0.22)	\$ 9.89	1.45%	0.55%	2.25%	0.77%	\$ 8,433	48%
(0.15)	\$ 9.97	1.44%	0.64%(g)	1.51%	0.75%	\$ 7,115	58%(e)
(0.13)	\$ 9.98	1.69%	0.66%	1.25%	0.66%	\$ 18,710	28%
(0.13)	\$ 9.94	0.04%	0.57%	1.32%	0.57%	\$ 22,454	20%
(0.29)	\$10.05	4.70%	0.39%	2.92%	0.80%	\$ 6,518	59%
(0.24)	\$ 9.88	1.51%	0.39%	2.41%	0.69%	\$ 4,980	48%
(0.15)	\$ 9.97	1.42%	0.39%	1.81%	1.05%	\$ 5,091	58%(e)

(e) Reflects increased trading activity due to large shareholder outflows.

(f) Amount is less than \$0.005.

(g) Effective May 1, 2017, AMCO voluntarily agreed to limit the annual expenses of the Institutional Shares to 0.55% of the Institutional Shares' average daily net assets.

(h) Commencement of operations.

See notes to financial statements.

**1. Organization:**

USAA Mutual Funds Trust (the "Trust") is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end investment company. The Trust is comprised of 47 funds and is authorized to issue an unlimited number of shares, which are units of beneficial interest with no par value.

The accompanying financial statements are those of the USAA Ultra Short-Term Bond Fund (the "Fund"). The Fund offers three classes of shares: Fund Shares, Institutional Shares, and R6 Shares. The Fund is classified as diversified under the 1940 Act.

Each class of shares of the Fund has substantially identical rights and privileges except with respect to fees paid under distribution plans, expenses allocable exclusively to each class of shares, voting rights on matters solely affecting a single class of shares, and the exchange privilege of each class of shares.

On November 6, 2018, United Services Automobile Association ("USAA"), the parent company of USAA Asset Management Company ("AMCO"), the investment adviser to the Fund, and USAA Transfer Agency Company, d/b/a USAA Shareholder Account Services ("SAS"), the transfer agent to the Fund, announced that AMCO and SAS would be acquired by Victory Capital Holdings Inc., a global investment management firm headquartered in Cleveland, Ohio (the "Transaction"). The Transaction closed 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 Management Inc. ("VCM" or "Adviser"). Effective July 1, 2019, VCM replaced AMCO as the investment adviser to the Fund and Victory Capital Transfer Agency Company replaced SAS as the Fund's transfer agent. In addition, effective on that same date, 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.

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 Fund. In addition, in the normal course of business, the Fund enters into contracts with its vendors and others that provide for general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund. However, based on experience, the Fund expects that risk of loss to be remote.

**2. Significant Accounting Policies:**

The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The Fund follows the specialized accounting and reporting requirements under GAAP that are applicable to investment companies under Accounting Standards Codification Topic 946.

**Investment Valuation:**

The Fund records investments at fair value. 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 valuation techniques described below maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The inputs used for valuing the Fund's investments are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities or interest rates applicable to those securities, etc.)

- Level 3 — significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The inputs or methodologies used for valuation techniques are not necessarily an indication of the risk associated with entering into those investments.

The Trust’s Board of Trustees (the “Board”) has established the Pricing and Liquidity Committee (the “Committee”) and, subject to Board oversight, the Committee administrators and oversees the Fund’s valuation policies and procedures, which are approved by the Board.

Portfolio securities listed or traded on securities exchanges, including exchange-traded funds (“ETFs”), American Depositary Receipts (“ADRs”) and Rights, are valued at the closing price on the exchange or system where the security is principally traded, if available, or the over-the-counter markets, are valued at the last sales price or official closing price. If there have been no sales for that day on the exchange or system, then a security is valued at the last available bid quotation on the exchange or system where the security is principally traded. In each of these situations, valuations typically are categorized as Level 1 in the fair value hierarchy.

Investments in open-end investment companies are valued at net asset value. These valuations typically are categorized as Level 1 in the fair value hierarchy.

Debt securities of United States (“U.S.”) issuers, along with corporate and municipal securities, including short-term investments maturing in 60 days or less, may be valued using evaluated bid or the last sales price to price securities by dealers or an independent pricing service approved by the Board. These valuations typically are categorized as Level 2 in the fair value hierarchy.

Effective July 1, 2019 the valuation methodology applied to certain debt securities changed. Securities that were previously valued at an evaluated mean are now valued at the evaluated bid or the last sales price.

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. These valuations typically are categorized as Level 2 or Level 3 in the fair value hierarchy, based on the observability of inputs used to determine the fair value. 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 net asset value (“NAV”) to be more reliable than it otherwise would be.

A summary of the valuations as of December 31, 2019, based upon the three levels defined above, is included in the table below while the breakdown, by category, of investments is disclosed in the Schedule of Portfolio Investments (amounts in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Backed Securities . . . . .	\$ —	\$ 42,652	\$ —	\$ 42,652
Collateralized Mortgage Obligations . . . . .	—	33,378	—	33,378
Preferred Stocks . . . . .	—	1,020	—	1,020
Senior Secured Loans . . . . .	—	3,386	—	3,386
Corporate Bonds . . . . .	—	116,965	—	116,965
Yankee Dollars . . . . .	—	77,142	—	77,142
Municipal Bonds . . . . .	—	8,035	—	8,035
U.S. Treasury Obligations . . . . .	—	2,508	—	2,508
Commercial Paper . . . . .	—	4,599	—	4,599
Collateral for Securities Loaned . . . . .	78	—	—	78
<b>Total . . . . .</b>	<b><u>\$78</u></b>	<b><u>\$289,685</u></b>	<b><u>\$—</u></b>	<b><u>\$289,763</u></b>

For the year ended December 31, 2019, there were no transfers in or out of the Level 3 fair value hierarchy.

**Real Estate Investment Trusts (“REITs”):**

The Fund may invest in REITs, which report information on the source of their distributions annually. REITs are pooled investment vehicles that invest primarily in income producing real estate or real estate related loans or interests (such as mortgages). Certain distributions received from REITs during the year are recorded as realized gains or return of capital as estimated by the Fund or when such information becomes known.

**Investment Companies:**

The Fund may invest in portfolios of open-end investment companies. These investment companies value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value by the methods established by the board of directors of the underlying funds.

**Securities Purchased on a Delayed-Delivery or When-Issued Basis:**

The Fund may purchase securities on a delayed-delivery or when-issued basis. Delivery and payment for securities that have been purchased by the Fund on a delayed-delivery or when-issued basis or for delayed draws on loans can take place a month or more after the trade date. At the time the Fund makes the commitment to purchase a security on a delayed-delivery or when-issued basis, the Fund records the transaction and reflects the value of the security in determining net asset value. No interest accrues to the Fund until the transaction settles and payment takes place. A segregated account is established and the Fund maintains cash and/or marketable securities at least equal in value to commitments for delayed-delivery or when-issued securities. If the Fund owns delayed-delivery or when-issued securities, these values are included in “Payable for investments purchased” on the accompanying Statement of Assets and Liabilities and the segregated assets are identified in the Schedule of Portfolio Investments.

**Mortgage- and Asset-Backed Securities:**

The values of some mortgage-related or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the Fund to a lower rate of return upon reinvestment of principal. The values of mortgage and asset-backed securities depend in part on the credit quality and adequacy of the underlying assets or collateral and may fluctuate in response to the market’s perception of these factors as well as current and future repayment rates. Some mortgage-backed securities are backed by the full faith and credit of the U.S. government (e.g., mortgage-backed securities issued by the Government National Mortgage Association, commonly known as “Ginnie Mae”), while other mortgage-backed securities (e.g., mortgage-backed securities issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, commonly known as “Fannie Mae” and “Freddie Mac”), are backed only by the credit of the government entity issuing them. In addition, some mortgage-backed securities are issued by private entities and, as such, are not guaranteed by the U.S. government or any agency or instrumentality of the U.S. government.

**Investment Transactions and Related Income:**

Changes in holdings of investments are accounted for no later than one business day following the trade date. For financial reporting purposes, however, investment transactions are accounted for on trade date on the last business day of the reporting period. Interest income is determined on the basis of coupon interest accrued using the effective interest method which adjusts, where applicable, the amortization of premiums or accretion of discount. Gains or losses realized on sales of securities are determined by comparing the identified cost of the security lot sold with the net sales proceeds.

**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. Borrowers are required to secure their loans for collateral in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked-to-market daily. Any collateral shortfalls associated with increases in the valuation of the securities loaned are cured the next business day once the shortfall exceeds \$100 thousand. 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, primarily open-end investment companies. 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. During the time portfolio securities are on loan, the borrower will pay the Fund any dividends or interest paid on such securities plus any fee negotiated between the parties to the lending agreement. The Fund also earns a return from the collateral. The Fund pays Citibank various fees in connection with the investment of cash collateral and fees based on the investment income received from securities lending activities. Securities lending income (net of these fees) is disclosed on the Statement of Operations. 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 Schedule of Portfolio Investments and Financial Statements while non-cash collateral is not included. The following table (amounts in thousands) is a summary of the Fund's securities lending transactions as of December 31, 2019:

<u>Value of Securities on Loan</u>	<u>Non-Cash Collateral</u>	<u>Cash Collateral</u>
\$75	\$—	\$78

#### Federal Income Taxes:

It is the Fund's policy to continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in applicable sections of the Internal Revenue Code, and to make distributions of net investment income and net realized gains sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes is required in the financial statements. The Fund has a tax year end of December 31.

Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax year ends and the interim tax period since then). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

#### Allocations:

Expenses directly attributable to the Fund are charged to the Fund, while expenses that are attributable to more than one fund in the Trust, or jointly with an affiliated trust, are allocated among the respective funds in the Trust and/or affiliated trust based upon net assets or another appropriate basis.

Income, expenses (other than class-specific expenses such as transfer agent fees, state registration fees, and printing fees), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets on the date income is earned or expenses and realized and unrealized gains and losses are incurred.

#### Cross-Trade Transactions:

Pursuant to Rule 17a-7 under the 1940 Act, the Fund may engage in cross-trades, which are securities transactions with affiliated investment companies and advisory accounts managed by the Adviser and any applicable sub-adviser. Any such purchase or sale transaction must be effected without brokerage commission or other remuneration, except for customary transfer fees. The transaction must be effected at the current market price, which is either the security's last sale price on an exchange or, if there are

no transactions in the security that day, at the average of the highest bid and lowest asked price. For the year ended December 31, 2019, the Fund engaged in the following securities transactions with affiliated funds, which resulted in the following net realized gains (losses) (amounts in thousands):

<u>Purchases</u>	<u>Sales</u>	<u>Net Realized Gains (Losses)</u>
\$2,004	\$1,561	\$—

### 3. Purchases and Sales:

Cost of purchases and proceeds from sales/maturities of securities (excluding securities maturing less than one year from acquisition) for the year ended December 31, 2019 were as follows for the Fund (amounts in thousands):

<u>Purchases (excluding U.S. Government Securities)</u>	<u>Sales (excluding U.S. Government Securities)</u>	<u>Purchases of U.S. Government Securities</u>	<u>Sales of U.S. Government Securities</u>
\$175,279	\$170,332	\$1,009	\$—

### 4. Fees and Transactions with Affiliates and Related Parties:

#### Investment Advisory and Management Fees:

Effective with the Transaction on July 1, 2019, investment advisory services are provided to the Fund by the Adviser, a New York corporation registered as an investment adviser with the Securities and Exchange Commission ("SEC"). The Adviser is a wholly-owned indirect subsidiary of Victory Capital Holdings, Inc., a publicly traded Delaware corporation, and a wholly-owned direct subsidiary of Victory Capital Operating, LLC. Under the terms of the Investment Advisory Agreement, the Adviser is entitled to receive a base fee and a performance adjustment. The Fund's base fee is accrued daily and paid monthly at an annualized rate of 0.24% of average daily net assets. The amount incurred and paid to VCM from July 1, 2019 through December 31, 2019, was \$358 thousand and is reflected on the Statement of Operations as Investment Advisory fees.

Prior to the Transaction on July 1, 2019, AMCO provided investment management services to the Fund pursuant to an Advisory Agreement. Under this agreement, AMCO was responsible for managing the business and affairs of the Fund, and for directly managing day-to-day investment of the Fund's assets, subject to the authority of and supervision by the Board. The investment management fee for the Fund was comprised of a base fee and a performance adjustment. The Fund's base fee was accrued daily and paid monthly at an annualized rate of 0.24% of the Fund's average daily net assets.

Effective with the Transaction on July 1, 2019, no performance adjustments will be made for periods beginning July 1, 2019, through June 30, 2020. Only performance beginning as of July 1, 2019, and thereafter will be utilized in calculating future performance adjustments.

Prior to the Transaction on July 1, 2019, the performance adjustment for each share class was calculated monthly by comparing the Fund's performance to that of the Lipper Ultra Short Obligations Funds Index. The Lipper Ultra Short Obligations Funds Index, which measures the performance of funds tracked by Lipper that invest at least 65% of their assets in investment grade debt issues, or better, and maintain a portfolio dollar-weighted average maturity between 91 days and 365 days.

The performance period for each share class consists of the current month plus the previous 35 months (or the number of months beginning July 1, 2019, if fewer). The following table is utilized to determine the extent of the performance adjustment:

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

(a) Based on the difference between average annual performance of the relevant share class of the Fund and its relevant 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 pays a positive performance fee adjustment for a performance period whenever the class outperforms the Lipper Ultra Short Obligations Funds Index over that period, even if the class has overall negative returns during the performance period.

For the period January 1, 2019 through June 30, 2019, performance adjustments for Fund Shares, Institutional Shares, and R6 Shares were \$55, \$1, and \$1 thousand, respectively. Base fees incurred and paid to AMCO from January 1, 2019 through June 30, 2019 were \$357 thousand and are reflected on the Statement of Operations as Investment Advisory fees.

Effective with the Transaction on July 1, 2019, the Trust relies on an exemptive order granted to VCM 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. For the year ended December 31, 2019, the Fund had no subadvisers.

#### **Administration and Servicing Fees:**

Effective with the Transaction on July 1, 2019, VCM serves as the Fund's administrator and fund accountant. Under the Fund Administration, Servicing and Accounting Agreement, VCM is paid for its services an annual fee at a rate of 0.15% of average daily net assets for the Fund Shares, 0.10% of average daily net assets of the Institutional Shares, and 0.05% of average daily net assets of the R6 Shares. Amounts incurred from July 1, 2019 through December 31, 2019, were \$209, \$6, and \$2 thousand for Fund Shares, Institutional Shares, and R6 Shares, respectively. These amounts are reflected on the Statement of Operations as Administration fees.

Prior to the Transaction on July 1, 2019, AMCO provided certain administration and servicing functions for the Fund. For such services, AMCO received a fee accrued daily and paid monthly at an annualized rate of 0.15% of average daily net assets for the Fund Shares, 0.10% of average daily net assets of the Institutional Shares, and 0.05% of average daily net assets of the R6 Shares, respectively. Amounts incurred from January 1, 2019 through June 30, 2019, were \$211, \$6 and \$1 thousand for Fund Shares, Institutional Shares, and R6 Shares, respectively. These amounts are reflected on the Statement of Operations as Administration fees.



Effective with the Transaction on July 1, 2019, the Fund (as part of the Trust) has entered into an agreement to provide compliance services with the Adviser, pursuant to which the Adviser furnishes its compliance personnel, including the services of the Chief Compliance Officer (“CCO”), and other resources reasonably necessary to provide the Trust with compliance oversight services related to the design, administration and oversight of a compliance program for the Trust in accordance with Rule 38a-1 under the 1940 Act. The CCO is an employee of the Adviser, which pays the compensation of the CCO and support staff. Funds in the Trust, Victory Variable Insurance Funds, Victory Portfolios, and Victory Portfolios II (collectively, the “Victory Funds Complex”) in the aggregate, compensates the Adviser for these services. The amount incurred during the period from July 1, 2019 to December 31, 2019 is reflected on the Statement of Operations as Compliance fees.

Effective with the Transaction on July 1, 2019, Citi Fund Services Ohio, Inc. (“Citi”), an affiliate of Citibank, acts as sub-administrator and sub-fund accountant to the Fund pursuant to a Sub-Administration and Sub-Fund Accounting Services Agreement between VCM and Citi. VCM pays Citi a fee for providing these services. The Trust reimburses VCM and Citi for all of their reasonable out-of-pocket expenses incurred in providing these services and certain other expenses specifically allocated to the Fund under the Fund Administration, Servicing, and Accounting Agreement.

In addition to the services provided under its Administration and Servicing Agreement with the Fund, AMCO also provided certain compliance and legal services for the benefit of the Fund prior to the Transaction on July 1, 2019. The Board approved the reimbursement of a portion of these expenses incurred by AMCO.

#### **Transfer Agency Fees:**

Effective with the Transaction on July 1, 2019, Victory Capital Transfer Agency, Inc. (“VCTA”), (formerly, USAA Shareholder Account Services (“SAS”)), provides transfer agency services to the Fund. VCTA, an affiliate of the Adviser, provides transfer agent services to the Fund Shares based on an annual charge of \$25.50 per shareholder account plus out-of-pocket expenses. VCTA 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 and R6 Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.10% and 0.01% of average daily net assets, respectively, plus out-of-pocket expenses. Amounts incurred and paid to VCTA from July 1, 2019 through December 31, 2019 were \$213, \$6, and \$1 thousand for Fund Shares, Institutional Shares, and R6 Shares, respectively. Amounts incurred and paid to SAS from January 1, 2019 through June 30, 2019 were \$71, \$6 thousand, and less than \$500 for Fund Shares, Institutional Shares, and R6 Shares, respectively. These amounts are reflected on the Statement of Operations as Transfer Agent fees.

Effective with the Transaction on July 1, 2019, FIS Investor Services LLC serves as sub-transfer agent and dividend disbursing agent for the Fund pursuant to a Sub-Transfer Agent Agreement between VCTA and FIS Investor Services LLC. VCTA provides FIS Investor Services LLC a fee for providing these services.

#### **Distributor/Underwriting Services:**

Effective with the Transaction on July 1, 2019, Victory Capital Advisers, Inc. (the “Distributor”), an affiliate of the Adviser, serves as distributor for the continuous offering of the shares of the Fund pursuant to a Distribution Agreement between the Distributor and the Trust.

Prior to the Transaction on July 1, 2019, USAA Investment Management Company provided exclusive underwriting and distribution of the Fund’s shares on a continuing best-efforts basis.

#### **Other Fees:**

Prior to the Transaction on July 1, 2019, State Street Bank and Trust Company served as the Fund’s accounting agent and custodian.

Effective August 5, 2019, Citibank, N.A., serves as the Fund’s custodian.

K&L Gates LLP provides legal services to the Trust.

Effective with the Transaction on July 1, 2019, the Adviser has entered into an expense limitation agreement with the Fund until at least June 30, 2021. Under the terms of the agreement, the Adviser has agreed to waive fees or reimburse certain expenses to the extent that ordinary operating expenses incurred by certain classes of the Fund in any fiscal year exceed the expense limit for such classes of the Fund. Such excess amounts will be the liability of the Adviser. Interest, taxes, brokerage commissions, other expenditures, which are capitalized in accordance with GAAP, and other extraordinary expenses not incurred in the ordinary course of the Fund's business are excluded from the expense limits. Effective July 1, 2019 through December 31, 2019, the expense limits (excluding voluntary waivers) were 0.60%, 0.55%, and 0.39% for Fund Shares, Institutional Shares, and R6 Shares, respectively.

Under this expense limitation agreement, the Fund has agreed to repay fees and expenses that were waived or reimbursed by the Adviser for a period up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limits in effect at the time of: (a) the original waiver or expense reimbursement; or (b) the recoupment, after giving effect to the recoupment amount. As of December 31, 2019, the following amounts are available to be repaid to the Adviser (amounts in thousands). The amount repaid to the Adviser during the year ended December 31, 2019 is reflected on the Statement of Operations as "Expenses waived/reimbursed by Adviser."

**Expires 12/31/2022**

\$27

The Adviser, may voluntarily waive or reimburse additional fees to assist the Fund in maintaining competitive expense ratios. Voluntary waivers and reimbursements applicable to the Fund are not available to be recouped at a future time. There were no voluntary waivers or reimbursements for the year ended December 31, 2019.

Prior to the Transaction on July 1, 2019, AMCO agreed, through April 30, 2020, to limit the total annual operating expenses of the Institutional Shares and R6 Shares to 0.55% and 0.39%, respectively, of average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and to reimburse the Institutional Shares and R6 Share for all expenses in excess of those amounts. Effective with the Transaction on July 1, 2019, these expense limits are no longer in effect. For the period from January 1, 2019 through June 30, 2019, the Fund incurred reimbursements of \$24 thousand. This amount is reflected on the Statement of Operations as "Expenses waived/reimbursed by AMCO."

Certain officers and/or interested trustees of the Fund are also officers and/or employees of the Adviser, Administrator, Sub-Administrator, Sub-Fund Accountant, and Legal.

## **5. Risks:**

The Fund may be subject to other risks in addition to these identified risks.

The fixed-income securities in the Fund's portfolio are subject to credit risk, which is the possibility that an issuer of a fixed-income security will fail to make timely interest and/or principal payments on its securities or that negative market perceptions of the issuer's ability to make such payments will cause the price of that security to decline. The Fund accepts some credit risk as a recognized means to enhance an investor's return. All fixed-income securities, varying from the highest quality to the very speculative, have some degree of credit risk. Fixed-income securities rated below investment grade, also known as "junk" or high-yield bonds, generally entail greater economic, credit, and liquidity risk than investment-grade securities. Their prices may be more volatile, especially during economic downturns, financial setbacks, or liquidity events.

The Fund is subject to the risk that the market value of the bonds in its portfolio will fluctuate because of changes in interest rates, changes in the supply of and demand for debt securities, and other market factors. Bond prices generally are linked to the prevailing market interest rates. In general, when interest rates rise, bond prices fall; and conversely, when interest rates fall, bond prices rise. The price volatility of a bond also depends on its maturity. Generally, the longer the maturity of a bond, the

greater is its sensitivity to interest rates. To compensate investors for this higher interest rate risk, bonds with longer maturities generally offer higher yields than bonds with shorter maturities. The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low rates. The ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change.

The Fund is subject to legislative risk, which is the risk that changes in government policies may affect the value of the investments held by the Fund in ways we cannot anticipate, and that such policies could have an adverse impact on the value of the Fund's investments and the Fund's net asset value.

## **6. Borrowing and Interfund Lending:**

### **Line of Credit:**

Effective with the Transaction on July 1, 2019, the Victory Funds Complex participates in a short-term, demand note "Line of Credit" agreement with Citibank. Under the agreement with Citibank, the Victory Funds Complex could borrow up to \$600 million, of which \$300 million is committed and \$300 million is uncommitted. \$40 million of the Line of Credit is reserved for use by the Victory Floating Rate Fund, another series of the Victory Funds Complex, with that Fund paying the related commitment fees for that amount. The purpose of the agreement is to meet temporary or emergency cash needs. Citibank receives an annual commitment fee of 0.15% on \$300 million for providing the Line of Credit. Each fund in the Victory Funds Complex pays a pro-rata portion of the commitment fees plus any interest (one month LIBOR plus one percent) on amounts borrowed. Interest charged to the Fund during the period is presented on the Statement of Operations under line of credit fees.

Prior to the Transaction on July 1, 2019, the line of credit among the Trust, with respect to its funds, and USAA Capital Corporation ("CAPCO") terminated. For the period from January 1, 2019 to June 30, 2019, the Fund paid CAPCO facility fees of \$1 thousand.

The Fund had no borrowings under either agreement with Citibank or CAPCO during the year ended December 31, 2019.

### **Interfund Lending:**

Effective with the Transaction on July 1, 2019, the Trust and Adviser rely on an exemptive order granted by the SEC in March 2017 (the "Order"), permitting the establishment and operation of an Interfund Lending Facility (the "Facility"). The Facility allows the Fund to directly lend and borrow money to or from any other Fund in the Victory Fund Complex relying upon the Order at rates beneficial to both the borrowing and lending funds. Advances under the Facility are allowed for temporary or emergency purposes. The interfund loan rate is determined, as specified in the Order, by averaging the current repurchase agreement rate and the current bank loan rate. As a Borrower, interest charged to the Fund during the period is presented on the Statement of Operations under Interest expense on Interfund lending. As a Lender, interest earned by the Fund during the period is reflected on the Statement of Operations under Income on Interfund lending.

The Fund did not utilize or participate in the Facility during the period from July 1, 2019 through December 31, 2019.

## **7. Federal Income Tax Information:**

The Fund intends to declare daily and distribute any net investment income monthly. Distributable net realized gains, if any, are declared and paid at least annually.

The amounts of dividends from net investment income and distributions from net realized gains (collectively distributions to shareholders) are determined in accordance with federal income tax regulations, which may differ from GAAP. To the extent these "book/tax" differences are permanent in nature (e.g., net operating loss and distribution reclassification), such amounts are reclassified within the components of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash sales) do not require reclassification. To the extent dividends and distributions exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital.

Net investment losses incurred by the Fund may be reclassified as an offset to capital on the accompanying Statement of Assets and Liabilities.

As of December 31, 2019 on the Statement of Assets and Liabilities, there were no permanent book-to-tax difference reclassification adjustments.

The tax character of distributions paid during the tax years ended, as noted below, were as follows (total distributions paid may differ from the Statement of Changes in Net Assets because, for tax purposes, dividends are recognized when actually paid) (amounts in thousands):

<u>Year Ended December 31, 2019</u>			
<u>Distributions paid from</u>			
<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Taxable Distributions</u>	<u>Total Distributions Paid</u>
\$7,285	\$—	\$7,285	\$7,285
<u>Year Ended December 31, 2018</u>			
<u>Distributions paid from</u>			
<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Taxable Distributions</u>	<u>Total Distributions Paid</u>
\$6,839	\$—	\$6,839	\$6,839

As of the tax year ended December 31, 2019, the components of accumulated earnings (deficit) on a tax basis were as follows (amounts in thousands):

<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-Term Capital Gains</u>	<u>Distributions Payable</u>	<u>Accumulated Earnings</u>	<u>Accumulated Capital and Other Losses</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Total Accumulated Earnings (Deficit)</u>
\$749	\$—	\$(722)	\$27	\$(2,767)	\$1,480	\$(1,260)

For the tax year ended December 31, 2019, the Fund utilized capital loss carryforwards of \$1,015 thousand, to offset capital gains. At December 31, 2019, the Fund had net capital loss carryforwards as shown in the table below (amounts in thousands). 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.

<u>Short-Term Amount</u>	<u>Long-Term Amount</u>	<u>Total</u>
\$2,069	\$698	\$2,767

As of December 31, 2019, the cost basis for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation, and net unrealized appreciation (depreciation) for investments were as follows (amounts in thousands):

<u>Cost of Investments for Federal Tax Purposes</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$288,291	\$1,883	\$(403)	\$1,480

## 8. Recent Accounting Pronouncements

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

*(Unaudited)*

## Expense Example

As a shareholder of the Fund, you may incur two types of costs: (1) transaction costs, and (2) ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2019 through December 31, 2019.

The **Actual Expense** figures in the table below provide information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Actual Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

The **Hypothetical Expense** figures in the table below provide information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note the expenses shown in the table below are meant to highlight your ongoing costs only and do not reflect any transactional costs. If these transactional costs were included, your costs would have been higher.

	Beginning Account Value 7/1/19	Actual Ending Account Value 12/31/19	Hypothetical Ending Account Value 12/31/19	Actual Expenses Paid During Period 7/1/19- 12/31/19*	Hypothetical Expenses Paid During Period 7/1/19- 12/31/19*	Annualized Expense Ratio During Period 7/1/19- 12/31/19
Fund Shares . . . . .	\$1,000.00	\$1,016.60	\$1,022.23	\$3.00	\$3.01	0.59%
Institutional Shares . . . . .	1,000.00	1,015.80	1,022.43	2.79	2.80	0.55%
R6 Shares . . . . .	1,000.00	1,017.70	1,023.24	1.98	1.99	0.39%

\* Expenses are equal to the average account value multiplied by the Fund's annualized expense ratio multiplied by 184/365 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

## Proxy Voting and Portfolio Holdings Information

### Proxy Voting:

Information regarding the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling (800) 539-3863. The information is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Information relating to how the Fund voted proxies relating to portfolio securities held during the most recent 12 months ended June 30 is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Availability of Schedules of Portfolio Investments:

The Trust files a complete list of Schedules of Portfolio Investments with the SEC for the first and third quarter of each fiscal year on Form N-PORT. Prior to the implementation of Form N-PORT, the trust filed a complete list of Schedules of Portfolio Investments with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-PORT and Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

*(Unaudited)***Trustee and Officer Information****Board of Trustees:**

Overall responsibility for management of the Trust rests with the Board. The Trust is managed by the Board in accordance with the laws of the state of Delaware. There are currently 10 Trustees, eight of whom are not “interested persons” of the Trust within the meaning of that term under the 1940 Act (“Independent Trustees”) and two of whom is an “interested person” of the Trust within the meaning of that term under the 1940 Act (“Interested Trustee”). The Trustees, in turn, elect the officers of the Trust to actively supervise its day-to-day operations.

The following tables list the Trustees, their ages, position with the Trust, commencement of service, principal occupations during the past five years and any directorships of other investment companies or companies whose securities are registered under the Securities Exchange Act of 1934, as amended, or who file reports under that Act. Each Trustee oversees 47 portfolios in the Trust. Each Trustee’s address is 15935 La Cantera Pkwy, Building Two, San Antonio, TX, 78256. Pursuant to a policy adopted by the Board, the term of office for each Trustee shall be until the Independent Trustee reaches age 75 or an Interested 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 the other Trustees or the holders of a majority 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.

<u>Name and Date of Birth</u>	<u>Position Held with the Trust</u>	<u>Year Commenced Service</u>	<u>Principal Occupation During Past 5 Years</u>	<u>Other Directorships Held During Past 5 Years</u>
<i>Independent Trustees.</i>				
Jefferson C. Boyce, Born September 1957	Lead Independent Trustee, and Vice Chairman	2013	Senior Managing Director, New York Life Investments, LLC (1992-2012)	Westhab, Inc
John C. Walters, Born February 1962	Trustee	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 operation, financial, and investment risk.	Guardian Variable Products Trust (16 series), Lead Independent Director; Amerilife Holdings LLC, Director; Stadion Money Management; Director; University of North Carolina (Chapel Hill), Member Board of Governors.

**Supplemental Information — continued**

USAA Mutual Funds Trust

December 31, 2019

*(Unaudited)*

<b>Name and Date of Birth</b>	<b>Position Held with the Trust</b>	<b>Year Commenced Service</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Other Directorships Held During Past 5 Years</b>
Robert L. Mason, Ph.D., Born July 1946	Trustee	1997	Adjunct Professor in the Department of Management Science and Statistics in the College of Business at the University of Texas at San Antonio (since 2001); Institute Analyst, Southwest Research Institute (March 2002-January 2016)	None
Dawn M. Hawley, Born February 1954	Trustee	2014	Manager of Finance, Menil Foundation, Inc. (May 2007-June 2011), 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. (October 1987-January 2006)	None
Paul L. McNamara, Born July 1948	Trustee	2012	Director, Cantor Opportunistic Alternatives Fund, LLC (March 2010-February 2014) , which is a closed-end fund of funds by Cantor Fitzgerald Investment Advisors, LLC	None

*(Unaudited)*

Name and Date of Birth	Position Held with the Trust	Year Commenced Service	Principal Occupation During Past 5 Years	Other Directorships Held During Past 5 Years
Richard Y. Newton III, Born January 1956	Trustee	2017	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 (December 2015-present); Executive Director, The Union League Club of New York (June 2014-November 2015); Executive Vice President, Air Force Association (August 2012-May 2014); Lieutenant General, United States Air Force (January 2008-June 2012)	None
Barbara B. Ostdiek, Ph.D., Born March 1964	Trustee	2008	Senior Associate Dean of Degree Programs at Jesse H. Jones Graduate School of Business at Rice University (since 2013); Associate Professor of Finance at Jessie H. Jones Graduate School of Business at Rice University (since 2001)	None
Michael F. Reimherr, Born August 1945	Trustee	2000	President of Reimherr Business Consulting (May 1995-December 2017); St. Mary's University Investment Committee overseeing University Endowment (since 2014)	None



*(Unaudited)*

Name and Date of Birth	Position Held with the Trust	Year Commenced Service	Principal Occupation During Past 5 Years	Other Directorships Held During Past 5 Years
<i>Interested Trustees.</i>				
David C. Brown, ** Born May 1972	Trustee	2019	Chairman and Chief Executive Officer (since 2013), Co-Chief Executive Officer (2011-2013), Victory Capital Management Inc.; Chairman and Chief Executive Officer, Victory Capital Holdings, Inc. (since 2013). 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	Trustee, Victory Portfolios (42 series), Victory Portfolios II (26 series), Victory Variable Insurance Funds (9 series)

*(Unaudited)*

Name and Date of Birth	Position Held with the Trust	Year Commenced Service	Principal Occupation During Past 5 Years	Other Directorships Held During Past 5 Years
Daniel S. McNamara, ** Born June 1966	Trustee and Chair of the Board of Trustees	2012	Trustee, President, and Vice Chairman of USAA ETF Trust (June 2017-June 2019); President of Financial Advice & Solutions Group (FASG), USAA (since 2013); Director, IMCO (September 2009-April 2014); President, AMCO (August, 2011-April 2013); Senior Vice President of USAA Financial Planning Services Insurance Agency, Inc. (FPS) (since 2011) Director of USAA Investment Management Company (IMCO) (since 2009); Chairman of Board of IMCO (since 2013); Director of USAA Asset Management Company (AMCO), (August 2011-June 2019); President and Director of USAA Shareholder Account Services (SAS)(October 2009-June 2019); Director and Vice Chairman of FPS (since 2013); President and Director of USAA Investment Corporation (ICORP) (since 2010); Chairman of Board of ICORP (since 2013); Director of USAA Financial Advisors, Inc. (FAI) (since 2013); Chairman of Board of FAI (since 2015). Mr. McNamara brings to the Board extensive experience in the financial services industry, including experience as an officer of the Trust.	None

\*\* Mr. McNamara and Mr. Brown are “Interested Persons” by reason of their relationships with the Adviser.

The Statement of Additional Information includes additional information about the Trustees of the Trust and is available, without charge, on the SEC’s website at [www.sec.gov](http://www.sec.gov) and/or by calling (800)-539-3863.

*(Unaudited)***Officers:**

The officers of the Trust, their ages, commencement of service and their principal occupations during the past five years, are detailed in the following table. Each officer serves until the earlier of his or her resignation, removal, retirement, death, or the election of a successor. The mailing address of each officer of the Trust is 15935 La Cantera Pkwy, Building Two, San Antonio, TX, 78256. The officers of the Trust receive no compensation directly from the Trust for performing the duties of their offices.

Name and Date of Birth	Position with the Trust	Year Commenced Service	Principal Occupation During Past 5 Years
<i>Interested Officers.</i>			
Christopher K. Dyer, Born February 1962	President	2019	Director of Fund Administration, Victory Capital (2004-present)
Scott A Stahorsky, Born July 1969	Vice President	2019	Manager, Fund Administration, Victory Capital (since 2015); Senior Analyst, Fund Administration, Victory Capital (prior to 2015)
James K. De Vries, Born April 1969	Treasurer, Principal Financial Officer	2018	Executive Director, Victory Capital Management Inc. (since 2019); Treasurer, USAA ETF Trust (September 2018-June 2019); Executive Director, Investment and Financial Administration, USAA (April 2012-June 2019); Assistant Treasurer, USAA ETF Trust (June 2017-September 2018); Assistant Treasurer, USAA Mutual Funds Trust (December 2013-February 2018)
Allan Shaer, Born March 1965	Assistant Treasurer	2019	Senior Vice President, Financial Administration, Citi Fund Services Ohio, Inc (since 2016); Vice President, Mutual Fund Administration, JP Morgan Chase (2011-2016)
Carol D. Trevino, Born October 1965	Assistant Treasurer	2018	Director, Accounting and Finance, Victory Capital Management Inc. (since 2019); Accounting/Financial Director, USAA (December 2013-June 2019); Assistant Treasurer, USAA ETF Trust (September 2018-June 2019).
Erin G. Wagner, Born February 1974	Secretary	2019	Deputy General Counsel, the Adviser (since 2013)
Charles Booth, Born April 1960	Anti-Money Laundering Compliance Officer and Identity Theft Officer	2019	Director, Regulatory Administration and CCO Support Services, Citi Fund Services Ohio, Inc.
Amy Campos, Born July 1976	Chief Compliance Officer	2019	Chief Compliance Officer, USAA Mutual Funds Trust (since 2019); Executive Director, Deputy Chief Compliance Officer, USAA Mutual Funds Trust and USAA ETF Trust (July 2017-June 2019); Compliance Director, USAA Mutual Funds Trust (2014-July 2017)

# Privacy Policy

## Protecting the Privacy of Information

The Trust respects your right to privacy. We also know that you expect us to conduct and process your business in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. This is the information we collect from you on applications or other forms, and from the transactions you make with us or third parties. It may include your name, address, social security number, account transactions and balances, and information about investment goals and risk tolerance.

We do not disclose any information about you or about former customers to anyone except as permitted or required by law. Specifically, we may disclose the information we collect to companies that perform services on our behalf, such as the transfer agent that processes shareholder accounts and printers and mailers that assist us in the distribution of investor materials. We may also disclose this information to companies that perform marketing services on our behalf. This allows us to continue to offer you Victory investment products and services that meet your investing needs, and to effect transactions that you request or authorize. These companies will use this information only in connection with the services for which we hired them. They are not permitted to use or share this information for any other purpose.

To protect your personal information internally, we permit access only by authorized employees and maintain physical, electronic and procedural safeguards to guard your personal information.\*

\* You may have received communications regarding information about privacy policies from other financial institutions which gave you the opportunity to “opt-out” of certain information sharing with companies which are not affiliated with that financial institution. The Trust does not share information with other companies for purposes of marketing solicitations for products other than the Trust. Therefore, the Trust does not provide opt-out options to their shareholders.

15935 La Cantera Pkwy  
Building Two  
San Antonio, Texas 78256



MUTUAL FUNDS

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Call  
(800) 235-8396