



MUTUAL FUNDS

SEPTEMBER 30, 2019

Semi Annual Report

USAA Tax Exempt Long-Term Fund

Fund Shares (USTEX)

Adviser Shares (UTELX)

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, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

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

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

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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.

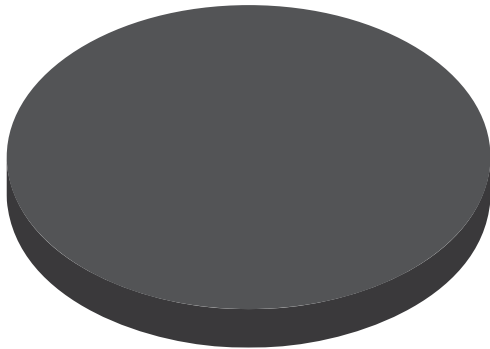
If you do not have a withholding election in place by the date of a distribution, federal income tax will be withheld from the taxable portion of your distribution at a rate of 10%. If you must pay estimated taxes, you may be subject to estimated tax penalties if your estimated tax payments are not sufficient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

For more specific information, please consult your tax adviser.

Investment Objective & Portfolio Holdings:

Investment Objective: Seeks to provide investors with interest income that is exempt from federal income tax.

Portfolio Holdings*:



Municipal Bonds
100.0%

* Percentages are of total investments of the Fund.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Municipal Bonds (99.5%)		
Alabama (1.6%):		
Chatom Industrial Development Board Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 8/1/37, Continuously Callable @ 100	\$ 4,245	\$ 4,364
Homewood Educational Building Authority Revenue, 5.00%, 12/1/47, Continuously Callable @ 100	4,500	5,257
Lower Alabama Gas District Revenue, Series A, 5.00%, 9/1/46	11,500	16,106
Montgomery Medical Clinic Board Revenue, 5.00%, 3/1/36, Continuously Callable @ 100	1,750	1,982
Selma Industrial Development Board Revenue, 5.80%, 5/1/34, Continuously Callable @ 100	2,000	2,044
State of Alabama Docks Department Revenue, 6.00%, 10/1/35, Pre-refunded 10/1/20 @ 100	7,000	7,322
		<u>37,075</u>
Arizona (3.0%):		
Apache County Industrial Development Authority Revenue, Series A, 4.50%, 3/1/30, Continuously Callable @ 100	5,000	5,311
Arizona Health Facilities Authority Revenue 5.00%, 2/1/42, Continuously Callable @ 100	6,000	6,399
3.43% (MUNISPA +1.85%), 2/1/48, (Put Date 2/1/23) (g) (h)	5,000	5,204
Arizona Industrial Development Authority Revenue, 5.00%, 7/1/52, Continuously Callable @ 100	1,725	2,002
City of Goodyear Water & Sewer Revenue, 5.63%, 7/1/39, Continuously Callable @ 100	5,000	5,151
City of Phoenix Civic Improvement Corp. Revenue(INS — National Public Finance Guarantee Corp.) Series B, 5.50%, 7/1/29 (a)	1,000	1,317
Series B, 5.50%, 7/1/30 (a)	1,500	2,008
Maricopa County Industrial Development Authority Revenue, 5.00%, 7/1/47, Continuously Callable @ 100	1,600	1,757
Maricopa County Pollution Control Corp. Revenue, 5.00%, 6/1/35, Continuously Callable @ 100	7,000	7,174
Pinal County Electric District No. 3 Revenue, 4.00%, 7/1/41, Continuously Callable @ 100	10,000	10,839
The Industrial Development Authority of the City of Phoenix Revenue 5.00%, 7/1/41, Continuously Callable @ 100	1,200	1,325
5.00%, 7/1/42, Continuously Callable @ 100	1,250	1,462
5.00%, 7/1/44, Continuously Callable @ 100	6,000	6,488
The Industrial Development Authority of the County of Pima Revenue 4.00%, 9/1/29, Continuously Callable @ 100	3,000	3,192
5.00%, 6/15/52, Continuously Callable @ 100 (b)	2,000	2,058
Series A, 4.50%, 6/1/30, Continuously Callable @ 100	2,685	2,871
Series A, 5.25%, 10/1/40, Continuously Callable @ 100	3,000	3,094
The Industrial Development Authority of the County of Yavapai Revenue, 4.00%, 8/1/43, Continuously Callable @ 100	1,725	1,936
		<u>69,588</u>

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Arkansas (0.1%):		
Arkansas Development Finance Authority Revenue(INS — AMBAC Assurance Corp.)		
0.00%, 7/1/28 (k)	\$ 1,000	\$ 822
0.00%, 7/1/29 (k)	1,165	929
0.00%, 7/1/30 (k)	1,150	887
0.00%, 7/1/36 (k)	2,500	1,513
		<u>4,151</u>
California (6.7%):		
California Health Facilities Financing Authority Revenue, 5.00%, 11/15/56, Continuously Callable @ 100		
	1,000	1,218
California State Public Works Board Revenue		
5.00%, 6/1/31, Continuously Callable @ 100	2,950	3,336
Series B, 5.00%, 10/1/30, Pre-refunded 10/1/21 @ 100	2,000	2,152
Series B, 5.00%, 10/1/31, Pre-refunded 10/1/21 @ 100	1,110	1,195
Series B, 5.00%, 10/1/39, Continuously Callable @ 100	3,500	4,056
Series D, 5.00%, 12/1/29, Continuously Callable @ 100	2,500	2,692
Series D, 5.00%, 12/1/31, Continuously Callable @ 100	2,000	2,154
Cerritos Community College District, GO		
Series D, 0.00%, 8/1/31 (k)	1,000	787
Series D, 0.00%, 8/1/32 (k)	2,500	1,901
Series D, 0.00%, 8/1/33 (k)	2,175	1,592
Series D, 0.00%, 8/1/34 (k)	1,000	704
Series D, 0.00%, 8/1/35 (k)	1,500	1,016
Series D, 0.00%, 8/1/36 (k)	2,200	1,438
Coachella Valley Unified School District, GO(INS — Assured Guaranty Municipal Corp.), Series D, 0.00%, 8/1/41 (k)		
	8,500	4,385
Health & Educational Facility Authority Revenue(LIQ — Deutsche Bank AG), Series 2017-7007, 1.88%, 3/1/42, Callable 3/1/20 @ 100 (b) (a)		
	5,700	5,700
San Francisco Multifamily Housing Revenue(LOC — Deutsche Bank AG), Series DBE-8038, 1.93%, 12/1/52, Callable 12/1/20 @ 100 (b) (a)		
	10,000	10,000
El Camino Community College District, GO		
Series C, 0.00%, 8/1/34 (k)	3,000	2,180
Series C, 0.00%, 8/1/38 (k)	3,000	1,837
El Monte Union High School District, GO(INS — Assured Guaranty Municipal Corp.), 0.00%, 6/1/42 (k)		
	10,000	4,959
Escondido Union High School District Certificate of Participation (INS — Assured Guaranty Municipal Corp.), 5.00%, 6/1/37, Continuously Callable @ 100		
	2,500	2,559
Golden State Tobacco Securitization Corp. Revenue, Series A, 5.00%, 6/1/30, Continuously Callable @ 100		
	2,000	2,261
Indio Redevelopment Agency Successor Agency Tax Allocation, Series A, 5.25%, 8/15/35, Continuously Callable @ 100		
	1,580	1,585
Inland Empire Tobacco Securitization Corp. Revenue, Series B, 5.75%, 6/1/26, Pre-refunded 6/1/20 @ 100		
	5,415	5,579
Jurupa Public Financing Authority Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 9/1/33, Callable 9/1/20 @ 100		
	2,000	2,066
Los Alamitos Unified School District Certificate of Participation		
0.00%, 8/1/34, Continuously Callable @ 100 (c)	1,200	1,312
0.00%, 8/1/42, Continuously Callable @ 100 (d)	4,500	4,691

See notes to financial statements.

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September 30, 2019

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(Unaudited)

Security Description	Principal Amount	Value
Monterey Peninsula Unified School District, GO(INS — Assured Guaranty Municipal Corp.), Series A, 5.50%, 8/1/34, Pre-refunded 8/1/21 @ 100	\$ 3,000	\$ 3,236
Paramount Unified School District, GO		
0.00%, 8/1/34 (k)	1,860	1,302
0.00%, 8/1/35 (k)	2,000	1,349
0.00%, 8/1/36 (k)	2,750	1,791
0.00%, 8/1/37 (k)	2,750	1,730
Sacramento City Schools Joint Powers Financing Authority		
Revenue(INS — Build America Mutual Assurance Co.)		
Series A, 5.00%, 3/1/36, Continuously Callable @ 100	2,560	2,866
Series A, 5.00%, 3/1/40, Continuously Callable @ 100	2,000	2,225
San Diego Public Facilities Financing Authority Revenue, Series A, 5.00%, 10/15/44, Continuously Callable @ 100	2,500	3,019
San Marcos Schools Financing Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 8/15/40, Pre-refunded 8/15/20 @ 100	3,000	3,099
San Ysidro School District, GO(INS — Assured Guaranty Municipal Corp.)		
Series G, 0.00%, 8/1/36 (k)	13,605	7,763
Series G, 0.00%, 8/1/37 (k)	14,285	7,794
Santa Ana Unified School District Certificate of Participation(INS — Assured Guaranty Municipal Corp.), 0.00%, 4/1/29 (k)	15,000	11,332
Southern California Public Power Authority Revenue, Series A, 5.00%, 7/1/40, Continuously Callable @ 100	5,000	5,136
State of California, GO		
5.25%, 4/1/35, Continuously Callable @ 100	8,000	8,734
5.00%, 2/1/38, Continuously Callable @ 100	6,750	7,518
5.00%, 10/1/47, Continuously Callable @ 100	5,000	5,954
Stockton Unified School District, GO(INS — Assured Guaranty Municipal Corp.), Series D, 0.00%, 8/1/34 (k)	8,885	5,971
Sacramento City Financing Authority Revenue(LIQ — Deutsche Bank AG), Series 2016-XG0067, 1.69%, 12/1/30 (b) (a)	400	400
Washington Township Health Care District Revenue		
Series A, 5.25%, 7/1/30, Continuously Callable @ 100	5,180	5,314
Series A, 5.50%, 7/1/38, Continuously Callable @ 100	5,000	5,131
		165,019
Colorado (1.8%):		
Colorado Educational & Cultural Facilities Authority Revenue		
4.00%, 12/1/48, Continuously Callable @ 100	2,500	2,736
5.00%, 4/1/53, Continuously Callable @ 100	750	870
Series A, 5.25%, 4/1/43, Continuously Callable @ 100	2,500	2,721
Colorado Health Facilities Authority Revenue		
5.00%, 12/1/42, Pre-refunded 6/1/22 @ 100	5,000	5,476
5.00%, 6/1/45, Pre-refunded 6/1/25 @ 100	6,000	7,201
5.00%, 6/1/47, Pre-refunded 6/1/27 @ 100	1,250	1,566
Series A, 4.00%, 8/1/49, Continuously Callable @ 100	2,500	2,686
Denver Health & Hospital Authority Revenue, Series A, 4.00%, 12/1/40, Continuously Callable @ 100	750	828
E-470 Public Highway Authority Revenue, Series C, 5.38%, 9/1/26, Continuously Callable @ 100	2,000	2,071
E-470 Public Highway Authority Revenue(INS — National Public Finance Guarantee Corp.), Series B, 0.00%, 9/1/35, Continuously Callable @ 64 (k)	10,000	5,163

See notes to financial statements.

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Security Description	Principal Amount	Value
Park Creek Metropolitan District Revenue		
5.00%, 12/1/45, Continuously Callable @ 100	\$ 1,000	\$ 1,145
5.00%, 12/1/46, Continuously Callable @ 100	2,500	2,861
5.00%, 12/1/51, Continuously Callable @ 100	2,000	2,291
Rampart Range Metropolitan District No. 1 Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 12/1/47, Continuously Callable @ 100	4,000	4,809
Regional Transportation District Certificate of Participation, Series A, 5.00%, 6/1/44, Continuously Callable @ 100	5,000	5,572
Southlands Metropolitan District No. 1, GO, Series A-1, 5.00%, 12/1/47, Continuously Callable @ 100	1,000	1,120
		<u>49,116</u>
Connecticut (0.7%):		
Connecticut State Health & Educational Facilities Authority Revenue		
Series A, 4.00%, 7/1/49, Continuously Callable @ 100	3,000	3,267
Series O, 5.00%, 7/1/35, Pre-refunded 7/1/20 @ 100	2,000	2,055
Mashantucket Western Pequot Tribe Revenue, 2.05%, 7/1/31 (f)	58,980	2,204
State of Connecticut, GO		
Series A, 5.00%, 4/15/38, Continuously Callable @ 100	5,500	6,649
Series A, 5.00%, 4/15/39, Continuously Callable @ 100	1,550	1,897
		<u>16,072</u>
Delaware (0.2%):		
Delaware State Economic Development Authority Revenue, 5.40%, 2/1/31, Continuously Callable @ 100	4,000	4,118
District of Columbia (1.6%):		
District of Columbia Revenue		
5.00%, 7/1/36, Continuously Callable @ 100	1,305	1,424
5.00%, 7/1/42, Continuously Callable @ 100	1,500	1,631
6.00%, 7/1/43, Pre-refunded 7/1/23 @ 100	1,700	1,988
6.00%, 7/1/48, Pre-refunded 7/1/23 @ 100	1,450	1,696
5.00%, 7/1/49, Continuously Callable @ 100	1,275	1,512
5.00%, 7/1/54, Continuously Callable @ 100	1,140	1,338
Metropolitan Washington Airports Authority Dulles Toll Road Revenue, 5.00%, 10/1/53, Continuously Callable @ 100	10,000	10,716
Metropolitan Washington Airports Authority Revenue, Series A, 5.00%, 10/1/39, Continuously Callable @ 100	5,000	5,170
Washington Convention & Sports Authority Tax Allocation, 5.00%, 10/1/40, Continuously Callable @ 100	10,000	10,324
		<u>35,799</u>
Florida (8.3%):		
City of Atlantic Beach Revenue		
Series A, 5.00%, 11/15/48, Continuously Callable @ 103	2,000	2,255
Series B, 5.63%, 11/15/43, Continuously Callable @ 100	7,000	7,823
City of Clearwater Water & Sewer Revenue, Series A, 5.25%, 12/1/39, Pre-refunded 12/1/19 @ 100	2,000	2,013
City of Gainesville Utilities System Revenue, Series C, 5.25%, 10/1/34, Continuously Callable @ 100	3,950	4,098
City of Jacksonville Revenue, 5.00%, 10/1/29, Continuously Callable @ 100	2,270	2,498

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

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Security Description	Principal Amount	Value
City of Lakeland Revenue		
5.00%, 9/1/37, Continuously Callable @ 100	\$ 500	\$ 542
5.00%, 9/1/42, Continuously Callable @ 100	1,000	1,082
City of Miami Beach Parking Revenue, Series B, 5.00%, 9/1/40, Continuously Callable @ 100	2,000	2,056
City of Miami Parking System Revenue(INS — Assured Guaranty Corp.), 5.00%, 10/1/34, Continuously Callable @ 100	1,500	1,504
City of Miami Revenue(INS — Assured Guaranty Municipal Corp.)		
Series A, 5.25%, 7/1/35, Continuously Callable @ 100	13,125	13,481
Series A, 5.25%, 7/1/39, Continuously Callable @ 100	4,000	4,106
County of Escambia Revenue, Series B, 6.25%, 11/1/33, Continuously Callable @ 100	1,500	1,505
County of Miami-Dade Aviation Revenue		
5.00%, 10/1/29, Pre-refunded 10/1/20 @ 100	525	544
5.00%, 10/1/29, Pre-refunded 10/1/20 @ 100	6,350	6,580
5.38%, 10/1/35, Pre-refunded 10/1/20 @ 100	18,330	19,063
5.38%, 10/1/35, Pre-refunded 10/1/20 @ 100	4,875	5,070
County of Miami-Dade Rickenbacker Causeway Revenue, 5.00%, 10/1/43, Continuously Callable @ 100	1,750	1,967
County of Miami-Dade Water & Sewer System Revenue, 5.00%, 10/1/34, Pre-refunded 10/1/20 @ 100	3,950	4,093
Florida Department of Children & Families Certificate of Participation, 5.00%, 10/1/25, Continuously Callable @ 100	5,675	5,691
Florida Higher Educational Facilities Financial Authority Revenue		
5.00%, 3/1/44, Continuously Callable @ 100	4,280	4,875
5.00%, 3/1/49, Continuously Callable @ 100	1,250	1,418
Series A, 5.00%, 4/1/32, Continuously Callable @ 100	600	647
Series A, 5.25%, 4/1/42, Continuously Callable @ 100	1,500	1,616
Florida Municipal Loan Council Revenue(INS — Assured Guaranty Municipal Corp.), Series D, 5.25%, 10/1/33, Continuously Callable @ 100	2,500	2,677
Halifax Hospital Medical Center Revenue, 5.00%, 6/1/46, Continuously Callable @ 100	3,000	3,391
Lee County Industrial Development Authority Revenue		
5.75%, 10/1/42, Continuously Callable @ 100	4,000	4,278
5.00%, 11/15/44, Continuously Callable @ 103	3,750	4,365
5.50%, 10/1/47, Continuously Callable @ 102	5,000	5,407
5.00%, 11/15/49, Continuously Callable @ 103	8,600	9,994
Lee Memorial Health System Revenue, Series A-1, 4.00%, 4/1/49, Continuously Callable @ 100	4,500	4,925
Miami-Dade County Expressway Authority Revenue		
Series A, 5.00%, 7/1/39, Continuously Callable @ 100	5,000	5,676
Series A, 5.00%, 7/1/40, Continuously Callable @ 100	5,000	5,117
Miami-Dade County Health Facilities Authority Revenue, 4.00%, 8/1/47, Continuously Callable @ 100	2,000	2,132
Orange County Health Facilities Authority Revenue, Series B, 4.00%, 10/1/45, Continuously Callable @ 100	1,500	1,625
Orlando-Orange County Expressway Authority Revenue		
Series A, 5.00%, 7/1/35, Pre-refunded 7/1/20 @ 100	4,745	4,871
Series A, 5.00%, 7/1/35, Pre-refunded 7/1/20 @ 100	1,255	1,288
Series C, 5.00%, 7/1/35, Pre-refunded 7/1/20 @ 100	2,000	2,053

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Security Description	Principal Amount	Value
Palm Beach County Health Facilities Authority Revenue		
5.00%, 5/15/41, Continuously Callable @ 100	\$ 5,000	\$ 5,564
5.00%, 11/15/45, Continuously Callable @ 103	2,000	2,303
Palm Beach County Solid Waste Authority Revenue		
5.00%, 10/1/31, Pre-refunded 10/1/21 @ 100	155	166
5.00%, 10/1/31, Continuously Callable @ 100	9,845	10,539
Pinellas County Educational Facilities Authority Revenue		
5.00%, 10/1/27, Continuously Callable @ 100	1,000	1,064
5.25%, 10/1/30, Continuously Callable @ 100	1,000	1,071
6.00%, 10/1/41, Continuously Callable @ 100	3,650	3,866
Polk County Industrial Development Authority Revenue		
5.00%, 1/1/49, Continuously Callable @ 103	1,000	1,113
5.00%, 1/1/55, Continuously Callable @ 103	1,000	1,114
Sarasota County Health Facilities Authority Revenue, 5.00%, 5/15/48, Continuously Callable @ 103	1,835	2,046
St. Petersburg Health Facilities Authority Revenue, 6.50%, 11/15/39, Pre-refunded 11/15/19 @ 100	3,000	3,017
Tampa Housing Authority Revenue, 4.85%, 7/1/36, Callable 11/1/19 @ 100	2,200	2,205
Tampa-Hillsborough County Expressway Authority Revenue, Series B, 5.00%, 7/1/42, Pre-refunded 7/1/22 @ 100	3,050	3,345
Avenir Community Development District Revenue(LIQ — Deutsche Bank AG), Series 2018-XF1074, 1.83%, 5/1/49, Callable 11/1/38 @ 100 (b) (a) . .	8,655	8,655
Volusia County Educational Facility Authority Revenue, Series B, 5.00%, 10/15/45, Continuously Callable @ 100	2,000	2,280
Volusia County Educational Facility Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 10/15/29, Pre-refunded 10/15/21 @ 100 . . .	2,350	2,523
		<u>203,197</u>
Georgia (1.9%):		
Appling County Development Authority Revenue, 1.82%, 9/1/41, Continuously Callable @ 100 (c)	12,700	12,700
City of Atlanta GA Department of Aviation Revenue, Series A, 5.00%, 1/1/35, Continuously Callable @ 100	3,500	3,531
Dahlonega Downtown Development Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 7/1/40, Pre-refunded 7/1/20 @ 100	4,000	4,110
Floyd County Development Authority Revenue, 1.82%, 9/1/26, Continuously Callable @ 100 (a)	880	880
Glynn-Brunswick Memorial Hospital Authority Revenue, 5.00%, 8/1/47, Continuously Callable @ 100	1,500	1,704
Heard County Development Authority Revenue, 1.84%, 9/1/26, Continuously Callable @ 100 (a)	1,300	1,300
Main Street Natural Gas, Inc. Revenue, Series A, 5.00%, 5/15/49	3,000	4,154
Monroe County Development Authority Revenue		
1.82%, 4/1/32, Continuously Callable @ 100 (a)	6,400	6,400
1.82%, 11/1/48, Continuously Callable @ 100 (a)	4,490	4,490
Private Colleges & Universities Authority Revenue, Series A, 5.00%, 10/1/32, Continuously Callable @ 100	1,600	1,693

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Security Description	Principal Amount	Value
Thomasville Hospital Authority Revenue		
5.25%, 11/1/35, Pre-refunded 11/2/20 @ 100	\$ 1,000	\$ 1,042
5.38%, 11/1/40, Pre-refunded 11/2/20 @ 100	1,250	1,305
		<u>43,309</u>
Idaho (0.1%):		
Idaho Health Facilities Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 7/1/35, Pre-refunded 7/1/20 @ 100	1,500	1,540
Illinois (14.0%):		
Bureau County Township High School District No. 502, GO(INS — Build America Mutual Assurance Co.)		
Series A, 5.00%, 12/1/37, Continuously Callable @ 100	1,530	1,804
Series A, 5.00%, 12/1/38, Continuously Callable @ 100	1,555	1,830
Series A, 5.00%, 12/1/39, Continuously Callable @ 100	1,400	1,646
Chicago Board of Education, GO, Series H, 5.00%, 12/1/36, Continuously Callable @ 100	5,000	5,688
Chicago Midway International Airport Revenue		
Series B, 5.00%, 1/1/41, Continuously Callable @ 100	2,500	2,927
Series B, 5.00%, 1/1/46, Continuously Callable @ 100	3,500	4,087
Chicago O'Hare International Airport Revenue		
5.75%, 1/1/39, Pre-refunded 1/1/21 @ 100	4,200	4,429
5.75%, 1/1/39, Continuously Callable @ 100	800	840
5.75%, 1/1/43, Continuously Callable @ 100	5,000	5,568
Series C, 5.00%, 1/1/41, Continuously Callable @ 100	5,000	5,948
Chicago Park District, GO, Series A, 5.00%, 1/1/40, Continuously Callable @ 100 ..	3,000	3,422
City of Chicago Special Assessment, 6.75%, 12/1/32, Continuously Callable @ 100 .	3,924	3,932
City of Chicago Wastewater Transmission Revenue		
5.00%, 1/1/44, Continuously Callable @ 100	4,000	4,331
Series C, 5.00%, 1/1/39, Continuously Callable @ 100	3,000	3,345
City of Chicago Wastewater Transmission Revenue Bonds,		
Series A, 5.00%, 1/1/47, Continuously Callable @ 100	3,000	3,392
City of Chicago Waterworks Revenue, 5.00%, 11/1/44, Continuously Callable @ 100	3,000	3,377
City of Springfield Electric Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 3/1/40, Continuously Callable @ 100	3,000	3,409
Cook County Community College District No. 508, GO(INS — Build America Mutual Assurance Co.), 5.00%, 12/1/47, Continuously Callable @ 100	9,500	11,030
County of Cook Sales Tax Revenue, 5.00%, 11/15/38, Continuously Callable @ 100 ..	7,750	9,188
County of Will, GO, 4.00%, 11/15/47, Continuously Callable @ 100	2,000	2,193
Illinois Finance Authority Revenue		
5.00%, 4/1/26, Continuously Callable @ 100	2,000	2,004
3.90%, 3/1/30, Continuously Callable @ 100	14,000	14,992
5.00%, 4/1/31, Continuously Callable @ 100	4,500	4,509
5.50%, 4/1/32, Continuously Callable @ 100	7,065	7,066
4.00%, 2/1/33, Continuously Callable @ 100	6,000	6,294
5.00%, 4/1/36, Continuously Callable @ 100	7,000	7,018
5.00%, 5/15/37, Continuously Callable @ 100	700	774
4.00%, 3/1/38, Continuously Callable @ 100	2,000	2,198
5.25%, 10/1/39, Continuously Callable @ 100	1,205	1,208
4.00%, 2/15/41, Pre-refunded 2/15/27 @ 100	20	24

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
4.00%, 2/15/41, Continuously Callable @ 100	\$10,980	\$ 12,172
5.00%, 8/1/42, Continuously Callable @ 100	750	844
6.00%, 7/1/43, Continuously Callable @ 100	5,000	5,650
5.00%, 1/1/44, Continuously Callable @ 100	10,000	11,561
5.00%, 8/15/44, Continuously Callable @ 100	2,000	2,243
4.00%, 12/1/46, Continuously Callable @ 100	4,500	4,618
5.00%, 2/15/47, Continuously Callable @ 100	1,000	1,124
5.00%, 5/15/47, Continuously Callable @ 100	1,155	1,258
5.00%, 8/1/47, Continuously Callable @ 100	750	836
5.00%, 12/1/47, Continuously Callable @ 100	2,000	2,195
5.00%, 10/1/49, Continuously Callable @ 100	1,250	1,500
5.00%, 2/15/50, Continuously Callable @ 100	500	561
5.00%, 10/1/51, Continuously Callable @ 100	1,000	1,191
Series A, 6.00%, 10/1/32, Pre-refunded 4/1/21 @ 100	8,000	8,553
Series A, 4.00%, 7/1/38, Continuously Callable @ 100	5,000	5,385
Series A, 4.00%, 10/1/40, Continuously Callable @ 100	12,395	13,480
Illinois State Toll Highway Authority Revenue, Series A, 4.00%, 1/1/44, Continuously Callable @ 100	4,000	4,481
Metropolitan Pier & Exposition Authority Revenue(INS — National Public Finance Guarantee Corp.)		
5.50%, 6/15/20, Continuously Callable @ 100 (a)	660	662
5.55%, 6/15/21, Continuously Callable @ 100 (a)	1,045	1,048
Northern Illinois Municipal Power Agency Revenue, Series A, 4.00%, 12/1/41, Continuously Callable @ 100	9,000	9,743
Railsplitter Tobacco Settlement Authority Revenue, 5.50%, 6/1/23, Pre-refunded 6/1/21 @ 100	10,000	10,686
Regional Transportation Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.75%, 6/1/20	23,980	24,644
Regional Transportation Authority Revenue(INS — National Public Finance Guarantee Corp.), 6.50%, 7/1/30 (j)	37,550	51,769
Sangamon County Water Reclamation District, GO		
Series A, 4.00%, 1/1/49, Continuously Callable @ 100	15,000	16,196
Series A, 5.75%, 1/1/53, Continuously Callable @ 100	2,000	2,399
State of Illinois, GO, Series A, 5.00%, 10/1/33, Continuously Callable @ 100	2,000	2,273
State of Illinois, GO(INS — Assured Guaranty Municipal Corp.)		
4.00%, 2/1/31, Continuously Callable @ 100	1,000	1,091
4.00%, 2/1/32, Continuously Callable @ 100	1,000	1,090
Series A, 5.00%, 4/1/29, Continuously Callable @ 100	8,000	8,739
University of Illinois Revenue, Series A, 5.13%, 4/1/36, Continuously Callable @ 100	1,000	1,050
Village of Rosemont, GO(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 12/1/46, Continuously Callable @ 100	10,000	11,448
		<u>348,963</u>
Indiana (1.7%):		
Evansville Redevelopment Authority Revenue(INS — Build America Mutual Assurance Co.)		
4.00%, 2/1/38, Continuously Callable @ 100	5,540	6,069
4.00%, 2/1/39, Continuously Callable @ 100	3,605	3,922
Indiana Finance Authority Revenue		
5.00%, 2/1/40, Continuously Callable @ 100	1,495	1,677

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
5.00%, 10/1/44, Continuously Callable @ 100	\$ 4,000	\$ 4,349
5.00%, 11/15/53, Continuously Callable @ 103	6,000	6,769
Series A, 5.00%, 6/1/39, Continuously Callable @ 100	5,000	5,241
Series A, 5.50%, 4/1/46, Continuously Callable @ 100	5,000	5,576
Richmond Hospital Authority Revenue, 5.00%, 1/1/39, Continuously Callable @ 100	7,000	7,918
		<u>41,521</u>
Iowa (0.5%):		
Iowa Finance Authority Revenue		
5.00%, 5/15/41, Continuously Callable @ 100	6,235	6,939
Series B, 5.00%, 2/15/48, Continuously Callable @ 100	4,000	4,752
		<u>11,691</u>
Kansas (0.4%):		
City of Coffeyville Electric System Revenue(INS — National Public Finance Guarantee Corp.), Series B, 5.00%, 6/1/42, Continuously Callable @ 100 (b)	2,500	2,881
City of Lawrence Revenue, 5.00%, 7/1/48, Continuously Callable @ 100	5,000	5,912
Wyandotte County-Kansas City Unified Government Utility System Revenue, Series A, 5.00%, 9/1/45, Continuously Callable @ 100	2,000	2,338
		<u>11,131</u>
Kentucky (0.5%):		
City of Ashland Revenue, 5.00%, 2/1/40, Continuously Callable @ 100	1,000	1,102
County of Owen Revenue, Series A, 6.25%, 6/1/39, Continuously Callable @ 100	2,000	2,007
Kentucky Economic Development Finance Authority Revenue		
5.00%, 5/15/46, Continuously Callable @ 100	5,500	5,843
Series B, 5.00%, 8/15/41, Continuously Callable @ 100	3,000	3,457
Kentucky Economic Development Finance Authority Revenue(INS — Assured Guaranty Municipal Corp.)		
4.00%, 12/1/41, Continuously Callable @ 100	500	544
Series A, 5.00%, 12/1/45, Continuously Callable @ 100	2,000	2,379
		<u>15,332</u>
Louisiana (4.1%):		
City of Shreveport Water & Sewer Revenue		
5.00%, 12/1/40, Continuously Callable @ 100	1,000	1,150
Series B, 5.00%, 12/1/41, Continuously Callable @ 100	5,500	6,427
Series B, 4.00%, 12/1/49, Continuously Callable @ 100	1,000	1,096
City of Shreveport Water & Sewer Revenue(INS — Assured Guaranty Municipal Corp.), Series B, 5.00%, 12/1/41, Continuously Callable @ 100	2,100	2,553
City of Shreveport Water & Sewer Revenue(INS — Build America Mutual Assurance Co.), Series B, 4.00%, 12/1/37, Continuously Callable @ 100	1,100	1,208
Jefferson Sales Tax District Revenue, Series B, 4.00%, 12/1/42, Continuously Callable @ 100	7,000	7,868
Lafayette Public Trust Financing Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.50%, 10/1/35, Pre-refunded 10/1/20 @ 100	2,500	2,602
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue		
3.50%, 11/1/32, Continuously Callable @ 100	6,250	6,675
Series A, 6.50%, 8/1/29, Continuously Callable @ 100	3,750	3,901

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Louisiana Local Government Environmental Facilities & Community		
Development Authority Revenue(INS — Assured Guaranty Municipal Corp.)		
5.00%, 10/1/39, Continuously Callable @ 100	\$ 1,685	\$ 2,002
4.00%, 10/1/46, Continuously Callable @ 100	8,210	8,816
5.00%, 10/1/48, Continuously Callable @ 100	5,000	5,815
Louisiana Public Facilities Authority Revenue		
5.00%, 7/1/37, Continuously Callable @ 100	1,500	1,728
4.00%, 5/15/41, Pre-refunded 5/15/26 @ 100	15	17
4.00%, 5/15/41, Continuously Callable @ 100	1,235	1,299
5.00%, 11/1/45, Continuously Callable @ 100	6,000	6,748
5.00%, 5/15/46, Continuously Callable @ 100	5,000	5,789
4.00%, 12/15/50, Continuously Callable @ 100	1,000	1,105
5.00%, 7/1/52, Continuously Callable @ 100	400	464
4.00%, 1/1/56, Continuously Callable @ 100	9,000	9,362
5.00%, 7/1/57, Continuously Callable @ 100	2,000	2,311
Louisiana Public Facilities Authority Revenue(INS — Build America Mutual Assurance Co.), 5.25%, 6/1/51, Continuously Callable @ 100		
	5,000	5,753
Parish of St. Charles Revenue, 4.00%, 12/1/40 (a)	6,750	7,137
State of Louisiana Gasoline & Fuels Tax Revenue, Series C, 5.00%, 5/1/45, Continuously Callable @ 100	6,000	7,190
Tobacco Settlement Financing Corp. Revenue, Series A, 5.25%, 5/15/35, Continuously Callable @ 100	1,500	1,659
		<u>100,675</u>
Maine (0.4%):		
Maine Health & Higher Educational Facilities Authority Revenue, Series A, 4.00%, 7/1/46, Continuously Callable @ 100	9,000	9,419
Massachusetts (1.2%):		
Massachusetts Development Finance Agency Revenue		
5.00%, 4/15/40, Continuously Callable @ 100	1,000	1,088
5.00%, 7/1/44, Continuously Callable @ 100	3,000	3,390
5.00%, 7/1/44, Continuously Callable @ 100	3,000	3,489
5.00%, 7/1/46, Continuously Callable @ 100	1,000	1,147
5.00%, 7/1/47, Continuously Callable @ 100	2,280	2,551
Series A, 5.50%, 7/1/44, Continuously Callable @ 100	4,000	4,377
Series A, 4.00%, 10/1/46, Continuously Callable @ 100	3,370	3,464
Series A, 4.00%, 6/1/49, Continuously Callable @ 100	1,000	1,072
Series E, 4.00%, 7/1/38, Continuously Callable @ 100	1,000	1,077
Series J2, 5.00%, 7/1/53, Continuously Callable @ 100	10,000	11,877
Massachusetts Health & Educational Facilities Authority Revenue		
Series E, 5.00%, 7/15/32, Continuously Callable @ 100	3,500	3,506
Series E, 5.00%, 7/15/37, Continuously Callable @ 100	500	501
		<u>37,539</u>
Michigan (1.9%):		
County of Genesee, GO, Series B, 4.00%, 2/1/41, Continuously Callable @ 100	2,000	2,164
County of Genesee, GO(INS — Build America Mutual Assurance Co.), Series B, 5.00%, 2/1/46, Continuously Callable @ 100	2,900	3,373
Downriver Utility Wastewater Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 4/1/43, Continuously Callable @ 100	2,500	3,025

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

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(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Jackson Public Schools, GO(NBGA — Michigan School Bond Qualification and Loan Program)		
5.00%, 5/1/45, Continuously Callable @ 100	\$ 6,000	\$ 7,185
5.00%, 5/1/48, Continuously Callable @ 100	3,000	3,590
Karegnondi Water Authority Revenue, 5.00%, 11/1/45, Continuously Callable @ 100	2,750	3,234
Lansing Board of Water & Light Revenue, Series A, 5.00%, 7/1/37, Continuously Callable @ 100	4,500	4,766
Livonia Public Schools, GO(INS — Assured Guaranty Municipal Corp.), 5.00%, 5/1/45, Continuously Callable @ 100	4,000	4,701
Michigan Finance Authority Revenue		
5.00%, 11/1/43, Continuously Callable @ 100	1,000	1,226
4.00%, 2/15/47, Continuously Callable @ 100	8,000	8,812
Series A, 4.00%, 11/15/50, Continuously Callable @ 100	3,000	3,308
Michigan State Building Authority Revenue, 4.00%, 4/15/54, Continuously Callable @ 100	2,000	2,205
Michigan Strategic Fund Revenue, 5.63%, 7/1/20	3,000	3,096
		<u>50,685</u>
Minnesota (0.1%):		
Minnesota Higher Education Facilities Authority Revenue, Series A, 5.00%, 10/1/39, Pre-refunded 10/1/19 @ 100	2,500	2,500
Mississippi (0.1%):		
County of Warren Revenue, 5.38%, 12/1/35, Continuously Callable @ 100	3,000	3,209
Missouri (2.4%):		
Cape Girardeau County Industrial Development Authority Revenue		
5.00%, 3/1/36, Continuously Callable @ 100	750	873
Series A, 6.00%, 3/1/33, Continuously Callable @ 103	2,460	2,799
Hannibal Industrial Development Authority Revenue, 5.00%, 10/1/47, Continuously Callable @ 100	3,000	3,450
Health & Educational Facilities Authority of the State of Missouri Revenue		
5.00%, 5/15/40, Continuously Callable @ 103	5,510	6,101
5.00%, 2/1/42, Continuously Callable @ 104	3,500	3,976
4.00%, 2/1/48, Continuously Callable @ 100 (i)	10,000	10,540
Series A, 5.00%, 11/15/43, Continuously Callable @ 100	1,000	1,201
Series A, 4.00%, 2/15/54, Continuously Callable @ 100	2,500	2,758
Missouri Development Finance Board Revenue, 4.00%, 6/1/46, Continuously Callable @ 100	17,775	18,633
St. Louis County Industrial Development Authority Revenue		
5.88%, 9/1/43, Continuously Callable @ 100	5,000	5,526
5.00%, 9/1/48, Continuously Callable @ 100	2,000	2,227
St. Louis Municipal Finance Corp. Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 10/1/38, Continuously Callable @ 100	3,065	3,696
Stoddard County Industrial Development Authority Revenue, Series B, 6.00%, 3/1/37, Continuously Callable @ 103	2,040	2,310
		<u>64,090</u>

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

*(Amounts in Thousands, Except for Shares)**(Unaudited)*

Security Description	Principal Amount	Value
Montana (0.4%):		
City of Forsyth Revenue		
3.90%, 3/1/31, Callable 3/1/23 @ 100 (a)	\$ 4,000	\$ 4,233
5.00%, 5/1/33, Continuously Callable @ 102	5,000	5,168
		<u>9,401</u>
Nebraska (0.3%):		
Central Plains Energy Project Revenue, Series A, 5.00%, 9/1/42		
	2,000	2,730
Douglas County Hospital Authority No. 3 Revenue, 5.00%, 11/1/48, Continuously Callable @ 100		
	3,400	3,895
		<u>6,625</u>
Nevada (1.4%):		
City of Carson City Revenue, 5.00%, 9/1/47, Continuously Callable @ 100		
	2,775	3,208
County of Clark Department of Aviation Revenue, Series A, 5.13%, 7/1/34, Continuously Callable @ 100		
	11,000	11,099
County of Clark Department of Aviation Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.25%, 7/1/39, Continuously Callable @ 100		
	5,000	5,045
Las Vegas Convention & Visitors Authority Revenue		
Series C, 4.00%, 7/1/41, Continuously Callable @ 100	4,400	4,729
Series C, 4.00%, 7/1/46, Continuously Callable @ 100	12,140	12,945
		<u>37,026</u>
New Jersey (5.2%):		
New Jersey Economic Development Authority Revenue		
3.18%, 3/1/28, Callable 3/1/23 @ 100 (a)	20,000	19,679
5.00%, 6/15/28, Continuously Callable @ 100	2,000	2,162
Series A, 5.00%, 6/15/47, Continuously Callable @ 100	3,000	3,384
Series AAA, 5.00%, 6/15/41, Continuously Callable @ 100	4,000	4,513
Series B, 5.00%, 6/15/43, Continuously Callable @ 100	3,500	4,015
Series GG, 5.00%, 9/1/24, Continuously Callable @ 100	6,000	6,280
Series UU, 5.00%, 6/15/40, Continuously Callable @ 100	10,000	10,970
Series WW, 5.25%, 6/15/40, Continuously Callable @ 100	3,000	3,392
New Jersey Economic Development Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 6/1/42, Continuously Callable @ 100		
	1,200	1,417
New Jersey Educational Facilities Authority Revenue		
Series B, 5.00%, 9/1/36, Continuously Callable @ 100	5,000	5,665
Series F, 5.00%, 7/1/47, Continuously Callable @ 100	3,000	3,412
New Jersey Health Care Facilities Financing Authority Revenue		
5.00%, 10/1/38, Continuously Callable @ 100	2,250	2,592
Series A, 5.63%, 7/1/32, Pre-refunded 7/1/21 @ 100	15,000	16,090
New Jersey Health Care Facilities Financing Authority Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 7/1/46, Continuously Callable @ 100		
	1,250	1,426
New Jersey Transportation Trust Fund Authority Revenue		
5.25%, 6/15/43, Continuously Callable @ 100	4,000	4,685
Series A, 5.00%, 12/15/36, Continuously Callable @ 100	2,125	2,489
Series AA, 5.25%, 6/15/41, Continuously Callable @ 100	2,000	2,239
Series BB, 4.00%, 6/15/50, Continuously Callable @ 100 (i)	15,000	15,561

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

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(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Morris County Improvement Authority Revenue(LIQ — Deutsche Bank AG), Series 2018-XF1067, 1.83%, 10/1/47, Callable 10/1/25 @ 100 (b) (a)	\$13,150	\$ 13,150
Tobacco Settlement Financing Corp. Revenue, Series A, 5.25%, 6/1/46, Continuously Callable @ 100	3,000	3,462
		<u>126,583</u>
New Mexico (0.5%):		
City of Farmington Revenue, 5.90%, 6/1/40, Continuously Callable @ 100	5,000	5,122
New Mexico Hospital Equipment Loan Council Revenue, Series LA, 5.00%, 7/1/49, Continuously Callable @ 102	5,750	6,474
		<u>11,596</u>
New York (2.0%):		
Buffalo & Erie County Industrial Land Development Corp. Revenue, 5.38%, 10/1/41, Continuously Callable @ 100	2,040	2,146
Metropolitan Transportation Authority Revenue, Series A, 2.46%, 11/15/32	5,000	3,627
New York Liberty Development Corp. Revenue 5.25%, 10/1/35	16,130	22,140
2.80%, 9/15/69, Continuously Callable @ 100 (i)	1,500	1,528
New York State Dormitory Authority Revenue, 5.25%, 7/1/29, Continuously Callable @ 100	2,250	2,256
New York State Thruway Authority Revenue, Series A, 5.00%, 1/1/51, Continuously Callable @ 100	2,000	2,332
Triborough Bridge & Tunnel Authority Revenue Series A, 0.00%, 11/15/31 (k)	5,000	3,747
Series A, 0.00%, 11/15/32 (k)	3,000	2,175
Series B, 0.00%, 11/15/32 (k)	2,500	1,846
Troy Capital Resource Corp. Revenue, Series A, 5.00%, 9/1/30, Continuously Callable @ 100	2,000	2,067
TSASC, Inc. Revenue Bonds, Series A, 5.00%, 6/1/41, Continuously Callable @ 100	1,000	1,117
		<u>44,981</u>
North Carolina (0.7%):		
Columbus County Industrial Facilities & Pollution Control Financing Authority Revenue, Series A, 6.25%, 11/1/33, Continuously Callable @ 100	5,000	5,018
North Carolina Capital Facilities Finance Agency Revenue, 4.63%, 11/1/40, Continuously Callable @ 100	10,000	10,310
North Carolina Medical Care Commission Revenue, 5.00%, 1/1/49, Continuously Callable @ 104	2,725	3,048
		<u>18,376</u>
North Dakota (0.6%):		
City of Fargo Revenue, 6.25%, 11/1/31, Continuously Callable @ 100	4,685	5,133
County of McLean Revenue, Series A, 4.88%, 7/1/26, Continuously Callable @ 100	2,500	2,559
County of Ward Revenue, Series C, 5.00%, 6/1/53, Continuously Callable @ 100	7,500	8,468
		<u>16,160</u>
Ohio (2.7%):		
Buckeye Tobacco Settlement Financing Authority Revenue Series A-2, 5.88%, 6/1/30, Continuously Callable @ 100	10,000	10,079
Series A-2, 5.75%, 6/1/34, Continuously Callable @ 100	10,000	10,003

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
City of Centerville Revenue, 5.25%, 11/1/47, Continuously Callable @ 100	\$ 2,700	\$ 2,991
City of Cleveland Airport System Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 1/1/31, Pre-refunded 1/1/22 @ 100	1,000	1,073
County of Cuyahoga Revenue, 4.75%, 2/15/47, Continuously Callable @ 100	9,000	9,811
County of Hamilton Revenue, 5.00%, 1/1/51, Continuously Callable @ 100	2,500	2,745
County of Lake Revenue, 5.63%, 8/15/29, Continuously Callable @ 100	320	321
County of Lucas Revenue, 5.25%, 11/15/48, Continuously Callable @ 100	6,000	7,201
County of Montgomery Revenue		
4.00%, 11/15/42, Continuously Callable @ 100	2,000	2,181
4.00%, 11/15/45, Continuously Callable @ 100	2,000	2,157
County of Ross Revenue		
5.00%, 12/1/44, Continuously Callable @ 100	3,100	3,752
5.00%, 12/1/49, Continuously Callable @ 100	6,000	7,234
Ohio Air Quality Development Authority Revenue, Series A, 5.70%, 8/1/20 (e)	6,000	4,962
Ohio Higher Educational Facility Commission Revenue, 5.25%, 1/1/48, Continuously Callable @ 104	1,000	1,047
Ohio Turnpike & Infrastructure Commission Revenue, 5.25%, 2/15/33, Continuously Callable @ 100	2,000	2,237
		<u>67,794</u>
Oklahoma (0.9%):		
Comanche County Hospital Authority Revenue, Series A, 5.00%, 7/1/32, Continuously Callable @ 100	4,200	4,401
Oklahoma Development Finance Authority Revenue, Series B, 5.50%, 8/15/57, Continuously Callable @ 100	4,250	5,063
Oklahoma Municipal Power Authority Revenue, Series A, 4.00%, 1/1/47, Continuously Callable @ 100	10,000	10,708
Tulsa County Industrial Authority Revenue, 5.25%, 11/15/45, Continuously Callable @ 102	2,000	2,261
		<u>22,433</u>
Oregon (0.2%):		
City of Keizer Special Assessment, 5.20%, 6/1/31, Continuously Callable @ 100	960	963
Deschutes County Hospital Facilities Authority Revenue, 4.00%, 1/1/46, Continuously Callable @ 100	2,000	2,095
Salem Hospital Facility Authority Revenue, 5.00%, 5/15/48, Continuously Callable @ 102	1,000	1,144
Yamhill County Hospital Authority Revenue, 5.00%, 11/15/51, Continuously Callable @ 102	1,180	1,304
		<u>5,506</u>
Pennsylvania (6.3%):		
Allegheny County Higher Education Building Authority Revenue, Series A, 5.50%, 3/1/31, Pre-refunded 3/1/21 @ 100	750	793
Allegheny County Hospital Development Authority Revenue, 5.00%, 4/1/47, Continuously Callable @ 100	6,500	7,629
Allegheny County Sanitary Authority Revenue, 5.00%, 6/1/43, Continuously Callable @ 100	3,170	3,849
Allegheny County Sanitary Authority Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 6/1/40, Continuously Callable @ 100	4,000	4,146

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Allentown Commercial & Industrial Development Authority Revenue, 6.25%, 7/1/47, Continuously Callable @ 100 (b)	\$ 5,000	\$ 5,116
Altoona Area School District, GO(INS — Build America Mutual Assurance Co.) 5.00%, 12/1/45, Continuously Callable @ 100	1,000	1,160
5.00%, 12/1/48, Continuously Callable @ 100	300	348
Armstrong School District, GO Series A, 4.00%, 3/15/38, Continuously Callable @ 100 (i)	1,000	1,141
Series A, 4.00%, 3/15/41, Continuously Callable @ 100 (i)	2,250	2,531
Berks County Industrial Development Authority Revenue 5.00%, 5/15/48, Continuously Callable @ 102	1,000	1,124
5.00%, 11/1/50, Continuously Callable @ 100	8,500	9,796
Bucks County Industrial Development Authority Revenue, 4.00%, 8/15/50, Continuously Callable @ 100	3,000	3,220
Canon Mcmillan School District, GO 4.00%, 6/1/48, Continuously Callable @ 100 (i)	4,605	5,047
4.00%, 6/1/50, Continuously Callable @ 100 (i)	6,065	6,632
Chester County Industrial Development Authority Revenue, Series A, 5.25%, 10/15/47, Continuously Callable @ 100	3,250	3,510
Commonwealth Financing Authority Revenue, 5.00%, 6/1/35, Continuously Callable @ 100	500	611
Commonwealth of Pennsylvania Certificate of Participation, Series A, 5.00%, 7/1/43, Continuously Callable @ 100	1,000	1,192
Delaware River Joint Toll Bridge Commission Revenue, 5.00%, 7/1/47, Continuously Callable @ 100	5,000	6,015
Erie Parking Authority Revenue(INS — Assured Guaranty Municipal Corp.) 5.13%, 9/1/32, Pre-refunded 9/1/20 @ 100	480	496
5.13%, 9/1/32, Continuously Callable @ 100	1,390	1,431
5.20%, 9/1/35, Pre-refunded 9/1/20 @ 100	595	616
5.20%, 9/1/35, Continuously Callable @ 100	1,700	1,751
Montgomery County Higher Education & Health Authority Revenue 4.00%, 9/1/49, Continuously Callable @ 100	2,500	2,714
4.00%, 9/1/51, Continuously Callable @ 100	3,500	3,780
Montgomery County Industrial Development Authority Revenue 5.00%, 12/1/44, Continuously Callable @ 103	1,000	1,160
5.00%, 12/1/48, Continuously Callable @ 102	2,000	2,258
5.00%, 12/1/49, Continuously Callable @ 103	1,000	1,154
Northampton County General Purpose Authority Revenue 4.00%, 8/15/40, Continuously Callable @ 100	4,000	4,281
5.00%, 8/15/48, Continuously Callable @ 100	2,440	2,903
Northeastern Pennsylvania Hospital & Education Authority Revenue 5.00%, 5/1/44, Continuously Callable @ 100	1,000	1,165
5.00%, 5/1/49, Continuously Callable @ 100	1,350	1,574
Pennsylvania Economic Development Financing Authority Revenue, 4.00%, 10/1/23, Continuously Callable @ 100	7,000	7,156
Pennsylvania Higher Educational Facilities Authority Revenue Series A, 5.25%, 7/15/33, Continuously Callable @ 100	1,970	2,160
Series A, 5.50%, 7/15/38, Continuously Callable @ 100	2,750	3,028
Pennsylvania Turnpike Commission Revenue 5.00%, 12/1/37, Continuously Callable @ 100	1,000	1,188
Series A, 4.00%, 12/1/49, Continuously Callable @ 100	5,000	5,516

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Series A-1, 5.00%, 12/1/46, Continuously Callable @ 100	\$ 3,000	\$ 3,429
Series A-1, 5.00%, 12/1/47, Continuously Callable @ 100	4,000	4,785
Series A-2, 5.00%, 12/1/33, Continuously Callable @ 100 (a)	1,250	1,524
Series B, 5.00%, 6/1/39, Continuously Callable @ 100	8,000	9,262
Series B, 5.00%, 12/1/43, Continuously Callable @ 100	5,000	6,049
Series B, 5.25%, 12/1/44, Continuously Callable @ 100	10,000	11,414
Series B-1, 5.00%, 6/1/42, Continuously Callable @ 100	4,000	4,691
Pittsburgh Water & Sewer Authority Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 9/1/44, Continuously Callable @ 100	5,000	6,190
Reading School District, GO(INS — Build America Mutual Assurance Co.), Series A, 4.00%, 4/1/44, Continuously Callable @ 100 (i)	1,055	1,157
School District of Philadelphia, GO		
Series B, 5.00%, 9/1/43, Continuously Callable @ 100	2,500	2,992
Series F, 5.00%, 9/1/37, Continuously Callable @ 100	1,000	1,175
Series F, 5.00%, 9/1/38, Continuously Callable @ 100	2,000	2,349
Scranton School District, GO(INS — Build America Mutual Assurance Co.), Series E, 4.00%, 12/1/37, Continuously Callable @ 100	1,025	1,150
Washington County Industrial Development Authority Revenue, 5.00%, 11/1/36, Pre-refunded 5/1/20 @ 100	3,200	3,267
Wilkes-Barre Area School District, GO(INS — Build America Mutual Assurance Co.)		
4.00%, 4/15/49, Continuously Callable @ 100	750	835
5.00%, 4/15/59, Continuously Callable @ 100	3,000	3,601
		<u>172,061</u>
Puerto Rico (0.1%):		
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Authority Revenue, 5.38%, 4/1/42, Continuously Callable @ 100	2,000	2,018
Rhode Island (0.1%):		
Rhode Island Health & Educational Building Corp. Revenue, 6.00%, 9/1/33, Pre-refunded 9/1/23 @ 100	2,000	2,353
Rhode Island Housing & Mortgage Finance Corp. Revenue, Series 15-A, 6.85%, 10/1/24, Continuously Callable @ 100	180	181
		<u>2,534</u>
South Carolina (0.5%):		
City of Rock Hill Combined Utility System Revenue, Series A, 4.00%, 1/1/49, Continuously Callable @ 100	2,500	2,776
County of Greenwood Revenue, 5.38%, 10/1/39, Pre-refunded 10/1/19 @ 100	2,250	2,250
South Carolina Public Service Authority Revenue, Series E, 5.25%, 12/1/55, Continuously Callable @ 100	7,000	8,172
		<u>13,198</u>
South Dakota (0.3%):		
Educational Enhancement Funding Corp. Revenue, Series B, 5.00%, 6/1/27, Continuously Callable @ 100	500	556
South Dakota Health & Educational Facilities Authority Revenue		
5.25%, 11/1/29, Continuously Callable @ 100	2,500	2,507
Series A, 5.00%, 7/1/42, Continuously Callable @ 100	4,000	4,212
		<u>7,275</u>

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Tennessee (0.5%):		
Chattanooga Health Educational & Housing Facility Board Revenue, Series C, 1.75%, 5/1/39, Continuously Callable @ 100 (a)	\$ 900	\$ 900
Greenville Health & Educational Facilities Board Revenue, 5.00%, 7/1/44, Continuously Callable @ 100	2,000	2,343
Johnson City Health & Educational Facilities Board Revenue, 5.00%, 8/15/42, Continuously Callable @ 100	2,000	2,147
Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board Revenue		
5.00%, 10/1/45, Continuously Callable @ 100	1,500	1,728
5.00%, 7/1/46, Continuously Callable @ 100	4,000	4,646
		11,764
Texas (18.0%):		
Arlington Higher Education Finance Corp. Revenue(NBGA — Texas Permanent School Fund)		
4.00%, 8/15/43, Continuously Callable @ 100	10,000	11,253
Series A, 5.00%, 2/15/41, Continuously Callable @ 100	3,000	3,507
Series A, 5.00%, 12/1/53, Continuously Callable @ 100	7,200	8,531
Bexar County Health Facilities Development Corp. Revenue		
5.00%, 7/15/42, Continuously Callable @ 105	600	667
4.00%, 7/15/45, Continuously Callable @ 100	8,450	8,579
Central Texas Regional Mobility Authority Revenue		
5.75%, 1/1/31, Pre-refunded 1/1/21 @ 100	6,000	6,321
4.00%, 1/1/41, Continuously Callable @ 100	5,000	5,278
5.00%, 1/1/42, Continuously Callable @ 100	2,500	2,721
Series A, 5.00%, 1/1/45, Continuously Callable @ 100	3,500	3,985
Central Texas Turnpike System Revenue		
Series A, 5.00%, 8/15/41, Continuously Callable @ 100	3,850	4,185
Series C, 5.00%, 8/15/42, Continuously Callable @ 100	6,500	7,286
Central Texas Turnpike System Revenue(INS — AMBAC Assurance Corp.), Series A, 0.00%, 8/15/30 (k)	18,530	14,258
City of Arlington Special Tax(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 2/15/48, Continuously Callable @ 100	7,500	8,968
City of Corpus Christi Utility System Revenue, 4.00%, 7/15/39, Continuously Callable @ 100	5,900	6,472
City of Houston Hotel Occupancy Tax & Special Revenue, 5.00%, 9/1/40, Continuously Callable @ 100	3,715	4,236
City of Irving Revenue, Series B, 5.00%, 8/15/43, Continuously Callable @ 100 ...	2,390	2,395
City of Laredo Waterworks & Sewer System Revenue, 4.00%, 3/1/41, Continuously Callable @ 100	700	768
Clifton Higher Education Finance Corp. Revenue		
6.00%, 8/15/33, Continuously Callable @ 100	1,000	1,144
6.00%, 8/15/43, Continuously Callable @ 100	2,750	3,144
Clifton Higher Education Finance Corp. Revenue(NBGA — Texas Permanent School Fund)		
5.00%, 8/15/39, Continuously Callable @ 100	4,250	4,841
5.00%, 8/15/48, Continuously Callable @ 100	10,000	11,989
County of Bexar Revenue		
4.00%, 8/15/44, Continuously Callable @ 100	500	562
4.00%, 8/15/49, Continuously Callable @ 100	1,700	1,892

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Dallas/Fort Worth International Airport Revenue, Series G, 5.00%, 11/1/34, Continuously Callable @ 100	\$ 4,000	\$ 4,147
Del Mar College District, GO, Series A, 5.00%, 8/15/48, Continuously Callable @ 100	6,500	7,684
Harris County Cultural Education Facilities Finance Corp. Revenue 5.25%, 10/1/29	4,000	4,000
5.00%, 6/1/38, Continuously Callable @ 100	6,100	6,532
Harris County Hospital District Revenue, 4.00%, 2/15/42, Continuously Callable @ 100	15,000	16,257
Harris County Industrial Development Corp. Revenue, 5.00%, 2/1/23, Pre-refunded 12/1/19 @ 100	7,000	7,041
Houston Higher Education Finance Corp. Revenue, Series A, 5.00%, 9/1/42, Continuously Callable @ 100	10,000	10,853
Karnes County Hospital District Revenue, 5.00%, 2/1/44, Continuously Callable @ 100	6,000	6,395
Kerrville Health Facilities Development Corp. Revenue, 5.00%, 8/15/35, Continuously Callable @ 100	1,900	2,179
Laredo Community College District Revenue(INS — Assured Guaranty Municipal Corp.), 5.25%, 8/1/35, Pre-refunded 8/1/20 @ 100	3,000	3,095
Matagorda County Navigation District No. 1 Revenue 4.00%, 6/1/30, Continuously Callable @ 100	9,615	10,177
4.00%, 6/1/30, Continuously Callable @ 100	6,000	6,351
Midlothian Independent School District, GO(NBGA — Texas Permanent School Fund), 5.00%, 2/15/47, Continuously Callable @ 100	15,000	18,153
New Hope Cultural Education Facilities Finance Corp. Revenue 5.00%, 7/1/47, Continuously Callable @ 102	1,000	1,069
5.00%, 4/1/48, Continuously Callable @ 100	1,250	1,283
Series A, 5.00%, 7/1/47, Continuously Callable @ 100	6,000	5,616
New Hope Cultural Education Facilities Finance Corp. Revenue Bonds, 5.00%, 7/1/47, Continuously Callable @ 102	1,000	912
New Hope Cultural Education Facilities Finance Corp. Revenue(INS — Assured Guaranty Municipal Corp.), 5.00%, 7/1/48, Continuously Callable @ 100	1,000	1,165
North Fort Bend Water Authority Revenue, 5.00%, 12/15/36, Continuously Callable @ 100	5,000	5,371
North Texas Tollway Authority Revenue 5.00%, 1/1/48, Continuously Callable @ 100	2,000	2,389
5.00%, 1/1/50, Continuously Callable @ 100	1,750	2,091
Series B, 0.00%, 9/1/37, Pre-refunded 9/1/31 @ 64.1040 (k)	3,000	1,503
Series B, 5.00%, 1/1/45, Continuously Callable @ 100	5,000	5,719
North Texas Tollway Authority Revenue(INS — National Public Finance Guarantee Corp.), Series B, 5.00%, 1/1/48, Continuously Callable @ 100	5,000	5,893
Port of Port Arthur Navigation District Revenue 1.87%, 4/1/40, Continuously Callable @ 100 (a)	14,400	14,400
1.74%, 11/1/40, Continuously Callable @ 100 (a) (j)	29,100	29,100
1.73%, 11/1/40, Continuously Callable @ 100 (a)	6,500	6,500
Series C, 1.76%, 4/1/40, Continuously Callable @ 100 (a)	23,945	23,945
Princeton Independent School District, GO(NBGA — Texas Permanent School Fund), 5.00%, 2/15/48, Continuously Callable @ 100	7,000	8,485
Prosper Independent School District, GO, 5.00%, 2/15/48, Continuously Callable @ 100	15,000	18,305

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Red River Education Finance Corp. Revenue		
4.00%, 6/1/41, Continuously Callable @ 100	\$ 2,000	\$ 2,072
5.50%, 10/1/46, Continuously Callable @ 100	3,000	3,429
Tarrant County Cultural Education Facilities Finance Corp. Revenue		
5.63%, 11/15/27, Continuously Callable @ 100	6,315	4,395
5.75%, 11/15/37, Continuously Callable @ 100	4,000	2,784
6.75%, 11/15/47, Continuously Callable @ 100	2,500	2,902
6.75%, 11/15/52, Continuously Callable @ 100	4,000	4,625
Series A, 5.00%, 11/15/45, Continuously Callable @ 100	4,500	4,621
Series B, 5.00%, 11/15/36, Continuously Callable @ 100	3,600	3,759
Series B, 5.00%, 11/15/46, Continuously Callable @ 100	7,000	7,861
Series B, 5.00%, 7/1/48, Continuously Callable @ 100	10,000	11,979
Series E, 5.00%, 11/15/46, Continuously Callable @ 100	1,000	1,131
Texas Transportation Commission Revenue, 5.00%, 8/1/57, Continuously Callable @ 100	5,000	5,854
Uptown Development Authority Tax Allocation		
5.00%, 9/1/37, Continuously Callable @ 100	4,365	4,903
5.00%, 9/1/40, Continuously Callable @ 100	2,490	2,778
Series A, 5.00%, 9/1/39, Continuously Callable @ 100	1,645	1,862
West Harris County Regional Water Authority Revenue		
4.00%, 12/15/45, Continuously Callable @ 100	1,600	1,817
4.00%, 12/15/49, Continuously Callable @ 100	3,945	4,405
Wood County Central Hospital District Revenue, 6.00%, 11/1/41, Pre-refunded 11/1/21 @ 100	4,770	5,223
		<u>435,992</u>
Vermont (0.1%):		
Vermont Educational & Health Buildings Financing Agency Revenue, 5.00%, 10/15/46, Continuously Callable @ 100	3,000	3,396
Virginia (2.2%):		
Alexandria Industrial Development Authority Revenue, 5.00%, 10/1/50, Continuously Callable @ 100	5,000	5,617
Industrial Development Authority Revenue(LOC — Deutsche Bank AG), 1.93%, 1/1/57, Callable 1/1/23 @ 100 (b) (a)	30,000	30,000
Lewistown Commerce Center Community Development Authority Tax Allocation		
6.05%, 3/1/44, Continuously Callable @ 103	3,575	3,516
6.05%, 3/1/44, Continuously Callable @ 103	1,726	1,698
Series C, 6.05%, 3/1/54, Continuously Callable @ 100 (e)	5,697	1,037
Virginia College Building Authority Revenue		
5.00%, 6/1/26, Continuously Callable @ 100	11,280	11,055
5.00%, 6/1/29, Continuously Callable @ 100	5,000	4,831
Watkins Centre Community Development Authority Revenue, 5.40%, 3/1/20, Continuously Callable @ 100	448	449
		<u>58,203</u>
Washington (0.9%):		
King County Public Hospital District No. 1, GO, 5.00%, 12/1/43, Continuously Callable @ 100	9,000	10,683
Health Care Facilities Authority Revenue(LIQ — JP Morgan Chase & Co.), Series 2016-XM0424, 1.90%, 9/6/20 (b)	3,800	3,800

See notes to financial statements.

USAA Tax Exempt Long-Term Fund

September 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Washington Health Care Facilities Authority Revenue, 4.00%, 7/1/42, Continuously Callable @ 100	\$ 5,500	\$ 6,042
Washington State Housing Finance Commission Revenue, 5.00%, 1/1/43, Continuously Callable @ 102 (b)	3,055	3,436
		<u>23,961</u>
West Virginia (0.2%):		
West Virginia Economic Development Authority Revenue, Series A, 5.38%, 12/1/38, Continuously Callable @ 100	2,000	2,072
West Virginia Hospital Finance Authority Revenue, 5.00%, 1/1/43, Continuously Callable @ 100	2,000	2,357
		<u>4,429</u>
Wisconsin (2.1%):		
City of Kaukauna WI Electric System Revenue(INS — Assured Guaranty Municipal Corp.), Series A, 5.00%, 12/15/35, Pre-refunded 12/15/22 @ 100	7,800	8,699
Public Finance Authority Revenue		
5.25%, 5/15/42, Continuously Callable @ 102 (b)	2,200	2,422
5.00%, 7/1/44, Continuously Callable @ 100	6,000	7,086
5.00%, 11/15/44, Continuously Callable @ 103	1,460	1,688
5.00%, 7/1/47, Continuously Callable @ 100	1,000	1,078
5.00%, 6/15/49, Continuously Callable @ 100 (b)	520	547
5.00%, 6/15/49, Continuously Callable @ 100	1,480	1,697
5.00%, 11/15/49, Continuously Callable @ 103	1,400	1,612
5.00%, 7/1/52, Continuously Callable @ 100	1,000	1,079
5.00%, 6/15/53, Continuously Callable @ 100	1,000	1,135
5.00%, 6/15/54, Continuously Callable @ 100 (b)	455	476
Series A, 5.25%, 10/1/43, Continuously Callable @ 100	3,090	3,523
Series A, 4.00%, 10/1/49, Continuously Callable @ 100	11,000	11,944
Public Finance Authority Revenue(INS — Assured Guaranty Municipal Corp.)		
5.00%, 7/1/54, Continuously Callable @ 100	1,285	1,504
5.00%, 7/1/58, Continuously Callable @ 100	1,500	1,754
Wisconsin Health & Educational Facilities Authority Revenue		
5.38%, 8/15/37, Pre-refunded 2/15/20 @ 100	2,500	2,537
5.00%, 7/1/49, Continuously Callable @ 100	1,000	1,156
Series A, 5.00%, 9/15/50, Continuously Callable @ 100	5,000	5,256
Series B, 5.00%, 9/15/45, Continuously Callable @ 100	1,000	1,043
		<u>56,236</u>
Total Municipal Bonds (Cost \$2,364,601)		2,483,287
Total Investments (Cost \$2,364,601) — 99.5%		2,483,287
Other assets in excess of liabilities — 0.5%		10,687
NET ASSETS — 100.00%		\$2,493,974

(a) 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.

See notes to financial statements.

*(Amounts in Thousands, Except for Shares)**(Unaudited)*

- (b) 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, unless otherwise noted, based upon procedures approved by the Board of Trustees. As of September 30, 2019, the fair value of these securities was \$88,641 (thousands) and amounted to 3.6% of net assets.
- (c) Stepped-coupon security converts to coupon form on 08/01/24 with a rate of 5.95%.
- (d) Stepped-coupon security converts to coupon form on 08/01/24 with a rate of 6.05%.
- (e) Defaulted security.
- (f) Up to 2.05% of the coupon may be PIK.
- (g) Put Bond.
- (h) Variable or Floating-Rate security. Rate disclosed is as of September 30, 2019.
- (i) Security purchased on a when-issued basis.
- (j) All or a portion of this security has been segregated as collateral for securities purchased on a when-issued basis.
- (k) Zero coupon bond.

AMBAC — American Municipal Bond Assurance Corporation

GO — General Obligation

LOC — Line Letter of Credit

MUNISPA — Municipal Swap Index

PIK — Payment in Kind

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

- INS Principal and interest payments are insured by the name listed. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that value may fluctuate for other reasons, and there is no assurance that the insurance company will meet its obligations.
- LIQ Liquidity enhancement that may, under certain circumstances, provide for repayment of principal and interest upon demand from the name listed.
- LOC Principal and interest payments are guaranteed by a bank letter of credit or other bank credit agreement.
- NBGA Principal and interest payments or, under certain circumstances, underlying mortgages, are guaranteed by a nonbank guarantee agreement from the name listed.

See notes to financial statements.

Statement of Assets and Liabilities

USAA Mutual Funds Trust

September 30, 2019

(Amounts in Thousands, Except Per Share Amounts)

(Unaudited)

	USAA Tax Exempt Long-Term Fund
Assets:	
Investments, at value (Cost \$2,364,601)	\$2,483,287
Cash	556
Interest receivable	28,937
Receivable for capital shares issued	1,343
Receivable for investments sold	28,660
Receivable from Adviser	4
Prepaid expenses	32
Total assets	2,542,819
Liabilities:	
Payables:	
Distributions	1,211
Investments purchased	43,919
Capital shares redeemed	2,676
Accrued expenses and other payables:	
Investment advisory fees	574
Administration fees	307
Custodian fees	49
Transfer agent fees	68
Chief Compliance Officer fees	—(a)
12b-1 fees	1
Other accrued expenses	40
Total liabilities	48,845
Net Assets:	
Capital	2,436,866
Total distributable earnings/(loss)	57,108
Net assets	\$2,493,974
Net Assets	
Adviser shares	8,064
Fund shares	2,485,910
Total	\$2,493,974
Shares (unlimited number of shares authorized with no par value):	
Adviser shares	595
Fund shares	182,821
Total	183,416
Net asset value, offering and redemption price per share: (b)	
Adviser shares	\$ 13.58
Fund shares	\$ 13.60

(a) Rounds to less than \$1.

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

See notes to financial statements.

Statement of Operations

USAA Mutual Funds Trust

For the Six Months Ended September 30, 2019

(Amounts in Thousands)

(Unaudited)

	USAA Tax Exempt Long-Term Fund
Investment Income:	
Interest	\$47,701
Total income	47,701
Expenses:	
Investment advisory fees	3,419
Administration fees — Adviser Shares	6
Administration fees — Fund Shares	1,826
Professional fees	9
12b-1 fees — Adviser Shares	10
Custodian fees	134
Trustees fees	18
Chief Compliance Officer fees	3
Legal and audit fees	33
Transfer agent fees — Adviser Shares	1
Transfer agent fees — Fund Shares	351
State registration and filing fees	31
Other expenses	22
Total expenses	5,863
Expenses waived/reimbursed by AMCO	(10)
Expenses waived/reimbursed by Adviser	(4)
Net expenses	5,849
Net Investment Income (Loss)	41,852
Realized/Unrealized Gains (Losses) from Investments:	
Net realized gains (losses) from investment securities	(906)
Net change in unrealized appreciation/depreciation on investment securities	56,833
Net realized/unrealized gains (losses) on investments	55,927
Change in net assets resulting from operations	\$97,779

See notes to financial statements.

(Amounts in Thousands)

	USAA Tax Exempt Long-Term Fund	
	Six Months Ended September 30, 2019 (unaudited)	Year Ended March 31, 2019
From Investments:		
Operations:		
Net investment income (loss)	\$ 41,852	\$ 86,740
Net realized gains (losses) from investments	(906)	(5,644)
Net change in unrealized appreciation (depreciation) on investments	56,833	19,735
Change in net assets resulting from operations	97,779	100,831
Distributions to Shareholders:		
Adviser shares	(125)	(278)
Fund shares	(40,918)	(87,489)
Change in net assets resulting from distributions to shareholders	(41,043)	(87,767)
Change in net assets resulting from capital transactions	66,674	(10,032)
Change in net assets	123,410	3,032
Net Assets:		
Beginning of period	2,370,564	2,367,532
End of period	\$2,493,974	\$2,370,564
Capital Transactions:		
Adviser Shares		
Proceeds from shares issued	\$ 277	\$ 593
Distributions reinvested	35	77
Cost of shares redeemed	(178)	(1,530)
Total Adviser Shares	\$ 134	\$ (860)
Fund Shares		
Proceeds from shares issued	\$ 159,375	\$ 189,996
Distributions reinvested	32,919	69,306
Cost of shares redeemed	(125,754)	(268,474)
Total Fund Shares	\$ 66,540	\$ (9,172)
Change in net assets resulting from capital transactions	\$ 66,674	\$ (10,032)
Share Transactions:		
Adviser Shares		
Issued	22	45
Reinvested	3	6
Redeemed	(14)	(118)
Total Adviser Shares	11	(67)
Fund Shares		
Issued	11,816	14,499
Reinvested	2,435	5,289
Redeemed	(9,319)	(20,520)
Total Fund Shares	4,932	(732)
Change In Shares	4,943	(799)

See notes to financial statements.

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For a Share Outstanding Throughout Each Period

	Net Asset Value, Beginning of Period	Investment Activities			Distributions to Shareholders From	
		Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Total Distributions
USAA Tax Exempt Long-Term Fund						
Adviser Shares						
Six Months Ended						
September 30, 2019 (unaudited)	\$13.26	0.22(e)	0.31	0.53	(0.21)	(0.21)
Year Ended						
March 31, 2019	\$13.19	0.46	0.08	0.54	(0.47)	(0.47)
Year Ended						
March 31, 2018	\$13.23	0.48	(0.04)	0.44	(0.48)	(0.48)
Year Ended						
March 31, 2017	\$13.71	0.49	(0.48)	0.01	(0.49)	(0.49)
Year Ended						
March 31, 2016	\$13.76	0.54	(0.05)	0.49	(0.54)	(0.54)
Year Ended						
March 31, 2015	\$13.43	0.54	0.32	0.86	(0.53)	(0.53)
Fund Shares						
Six Months Ended						
September 30, 2019 (unaudited)	\$13.28	0.23(e)	0.32	0.55	(0.23)	(0.23)
Year Ended						
March 31, 2019	\$13.21	0.49	0.07	0.56	(0.49)	(0.49)
Year Ended						
March 31, 2018	\$13.25	0.51	(0.03)	0.48	(0.52)	(0.52)
Year Ended						
March 31, 2017	\$13.73	0.54	(0.48)	0.06	(0.54)	(0.54)
Year Ended						
March 31, 2016	\$13.78	0.58	(0.05)	0.53	(0.58)	(0.58)
Year Ended						
March 31, 2015	\$13.45	0.58	0.32	0.90	(0.57)	(0.57)

* 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) Reflects total annual operating expenses for reductions of expenses paid indirectly for the March 31 fiscal years ended 2017, 2016, and 2015. Expenses paid indirectly decreased the expense ratio for each of these respective years by less than 0.01%.

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

(e) 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

Net Asset Value, End of Period	Total Return*(a)	Ratios to Average Net Assets			Supplemental Data	
		Net Expenses^(b)(c)	Net Investment Income (Loss)(b)	Gross Expenses(b)(c)	Net Assets, End of Period (000's)	Portfolio Turnover(a)(d)
\$13.58	3.95%	0.70%	3.21%	1.06%	\$ 8,064	10%
\$13.26	4.16%	0.70%	3.51%	0.94%	\$ 7,745	13%
\$13.19	3.36%	0.74%(f)	3.57%	0.92%	\$ 8,577	14%
\$13.23	0.07%	0.80%	3.64%	0.87%	\$ 10,976	15%
\$13.71	3.65%	0.80%	3.94%	0.90%	\$ 11,249	6%
\$13.76	6.52%	0.81%(g)	3.94%	0.99%	\$ 10,896	7%
\$13.60	4.06%	0.48%	3.43%	0.48%	\$2,485,910	10%
\$13.28	4.39%	0.48%	3.73%	0.48%	\$2,362,819	13%
\$13.21	3.62%	0.47%	3.83%	0.47%	\$2,358,955	14%
\$13.25	0.41%	0.48%	3.97%	0.48%	\$2,343,165	15%
\$13.73	3.94%	0.51%	4.23%	0.51%	\$2,421,551	6%
\$13.78	6.79%	0.55%	4.22%	0.55%	\$2,386,904	7%

(f) Prior to August 1, 2017, AMCO voluntarily agreed to reimburse the Adviser Shares for expenses in excess of 0.80% of their annual average daily net assets.

(g) Prior to August 1, 2014, AMCO voluntarily agreed to reimburse the Adviser Shares for expenses in excess of 0.85% of their annual average daily net assets.

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 Tax Exempt Long-Term Fund (the "Fund"). The Fund offers two classes of shares: Fund Shares and Adviser 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. Effective August 5, 2019, Citibank, N.A. is the new custodian for the USAA Mutual Funds.

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.)

(Unaudited)

- 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 administers and oversees the Fund’s valuation policies and procedures, which are approved by the Board.

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 are typically categorized as Level 2 in the fair value hierarchy.

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 are typically 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 September 30, 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>
Municipal Bonds	<u>\$—</u>	<u>\$2,483,287</u>	<u>\$—</u>	<u>\$2,483,287</u>
Total	<u>\$—</u>	<u>\$2,483,287</u>	<u>\$—</u>	<u>\$2,483,287</u>

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.

Municipal Obligations:

The values of municipal obligations can fluctuate and may be affected by adverse tax, legislative, or political changes, and by financial developments affecting municipal issuers. Payment of municipal obligations may depend on a relatively limited source of revenue, resulting in greater credit risk. Future changes in federal tax laws or the activity of an issuer may adversely affect the tax-exempt status of municipal obligations.

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

(Unaudited)

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.

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 March 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., all open tax years 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 which 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, printing and 12b-1 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 six months ended September 30, 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>
\$5,300	\$31,440	\$—

Fees Paid Indirectly:

Expense offsets to custody fees that arise from credits on cash balances maintained on deposit are reflected on the Statement of Operations, as applicable, as "Fees paid indirectly".

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 six months ended September 30, 2019 were as follows for the Fund (amounts in thousands):

<u>Excluding U.S. Government Securities</u>	
<u>Purchases</u>	<u>Sales</u>
\$316,875	\$234,921

(Unaudited)

There were no purchases and sales of U.S. Government Securities during the six months ended September 30, 2019.

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 0.28%. Amounts incurred and paid to VCM from July 1, 2019 through September 30, 2019 are \$1,746 thousand and are 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 0.28% of the Fund’s average daily net assets. Amounts incurred from April 1, 2019 through June 30, 2019 are \$1,673 thousand. Amounts incurred are reflected on the Statement of Operations as Investment Advisory fees.

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

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 General & Insured Municipal Debt Funds Index.

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

<u>Over/Under Performance Relative to Index (in basis points)^(a)</u>	<u>Annual Adjustment Rate (in basis points)^(a)</u>
+/- 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 General & Insured Municipal Debt Funds Index over that period, even if the class has overall negative returns during the performance period.

(Unaudited)

For the period April 1, 2019 through June 30, 2019, performance adjustments for the Fund Shares and Adviser Shares were \$0 and \$1 thousand, respectively, and represented 0.00% and 0.01% of net assets, respectively. Performance adjustments are reflected on the Statement of Operations as Investment Advisory fees.

Administration and Servicing Fees:

Effective with the Transaction on July 1, 2019, VCM serves as the Fund's administrator and fund accountant. Under a 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 both the Fund Shares and Adviser Shares. Amounts incurred from July 1, 2019 through September 30, 2019 are \$932 and \$3 thousand for Fund Shares and Adviser Shares, respectively. These amounts are presented 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 his 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. Amounts incurred during the period from April 1, 2019 to June 30, 2019 are reflected on the Statement of Operations as Chief Compliance Officer 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.

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 both the Fund Shares and Adviser Shares. Amounts incurred from April 1, 2019 through June 30, 2019 are \$894 and \$3 thousand for Fund Shares and Adviser Shares, respectively. These amounts are presented on the Statement of Operations as Administration fees.

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. Amounts reimbursed by the Fund to AMCO for these compliance and legal services are presented on the Statement of Operations as Professional fees.

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 the Adviser, provides transfer agent services to the Fund Shares and Adviser 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. Amounts incurred and paid to VCTA from July 1, 2019 through September 30, 2019 was \$186 and \$1 thousand for the Fund Shares and Adviser Shares, respectively. Amounts incurred and paid to SAS from April 1, 2019 through June 30, 2019 was \$165 and \$1 thousand for the Fund Shares and Adviser 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

(Unaudited)

VCTA and FIS Investor Services LLC. VCTA provides FIS Investor Services LLC a fee for providing these services.

Distribution and Service 12b-1 Fees:

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 Adviser Shares pursuant to a Distribution Agreement between the Distributor and the Trust. Pursuant to the Distribution and Service Plans adopted in accordance with Rule 12b-1 under the 1940 Act, the Distributor may receive a monthly distribution and service fee, at an annual rate of up to 0.25% of the average daily net assets of the Adviser Shares. Amounts incurred and paid to the Distributor from July 1, 2019 through September 30, 2019 are \$5 thousand and reflected on the Statement of Operations as 12b-1 Fees.

Adviser Shares are offered and sold without imposition of an initial sales charge or a contingent deferred sales charge.

Prior to the Transaction on July 1, 2019, the Fund adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Adviser Shares. Under the plan, the Adviser Shares paid fees to USAA Investment Management Company ("IMCO"), the distributor, for distribution and shareholder services. IMCO paid all or a portion of such fees to intermediaries that made the Adviser Shares available for investment by their customers. The fee was accrued daily and paid monthly at an annual rate of 0.25% of the Adviser Shares' average daily net assets. IMCO also provided exclusive underwriting and distribution of the Fund's shares on a continuing best-efforts basis and received no fee or other compensation for these services, but may have received 12b-1 fees as described above, with respect to Adviser Shares. Amounts incurred and paid to IMCO from April 1, 2019 through June 30, 2019 are \$5 thousand and reflected on the Statement of Operations as 12b-1 Fees.

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.

The Trust pays an annual retainer and quarterly meeting fees to each Independent Trustee and a retainer and quarterly meeting fees to each Chair of each Committee of the Board, of which there are four positions. The Chair of the Board also receives an annual retainer. The aggregate amount of the fees and expenses of the Independent Trustees and Chair are allocated amongst all the funds in the Trust and are presented in the Statements of Operations. Amounts incurred during the six month period ended June 30, 2019 are reflected on the Statement of Operations as Trustees' Fees.

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 September 30, 2019, the expense limit (excluding voluntary waivers) is 0.70% and 0.48% for the Adviser Shares and Fund 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 September 30, 2019, the following amounts are available to be repaid to the Adviser (amounts in thousands). Amounts repaid to the Adviser during the six months ended, if any, are reflected on the Statement of Operations as "Recoupment of prior expenses waived/reimbursed by Adviser".

Expires 03/31/2023

\$4

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 six months ended September 30, 2019.

Prior to the Transaction on July 1, 2019, AMCO agreed, through July 31, 2019, to limit the total annual operating expenses of the Adviser Shares to 0.70% of average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and to reimburse the Adviser Shares for all expenses in excess of those amounts. Effective with the Transaction on July 1, 2019, this expense limit is no longer in effect and are not available to be recouped by AMCO. For the period April 1, 2019 through June 30, 2019, amounts reimbursed by the Adviser Shares are 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.

An investment in the Fund's shares represent an indirect investment in the securities owned by the Fund, some of which will be traded on a national securities exchange or in the over-the-counter markets. The value of the securities in which the Fund invests, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of the securities in which the Fund invests may affect the value of the Fund's shares. An investment in the Fund's shares at any point in time may be worth less than the original investment, even after taking into account the reinvestment of the Fund's distributions.

The Fund will be subject to credit risk with respect to the amount it expects to receive from counterparties for financial instruments entered into by the Fund. The Fund may be negatively impacted if a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties. The Fund may experience significant delays in obtaining any recovery in bankruptcy or other reorganization proceeding and the Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Fund typically enters into transactions with counterparties whose credit ratings are investment grade, as determined by a nationally recognized statistical rating organization or, if unrated, judged by the Adviser to be of comparable quality.

The Fund is subject to credit and interest rate risk with respect to fixed income securities. Credit risk refers to the ability of an issuer to make timely payments of interest and principal. Interest rates may rise, or the rate of inflation may increase, impacting the value if investments in fixed income securities. A debt issuers' credit quality may be downgraded, or an issuer may default. Interest rates may fluctuate due to changes in governmental fiscal policy initiatives and resulting market reaction to those initiatives.

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, including redemption requests that might otherwise require the untimely disposition of securities. 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

(Unaudited)

(one month LIBOR plus one percent) on amounts borrowed. Interest charged to the Fund during the period is presented on the Statements 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 April 1, 2019 to June 30, 2019, the Fund paid CAPCO facility fees of \$5 thousand.

The Fund had no borrowings under either agreement with Citibank or CAPCO during the six months ended September 30, 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, including the meeting of redemption requests that otherwise might require the untimely disposition of securities, and are subject to the Fund’s borrowing restrictions. The interfund loan rate is determined, as specified in the Order, by averaging the current repurchase agreement rate and the current bank loan rate. 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 presented on the Statement of Operations under Income on Interfund lending.

The Fund did not utilize or participate in the Facility during the period July 1, 2019 through September 30, 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 distributed 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.

The tax character of current year distributions paid and the tax basis of the current components of accumulated earnings (deficit) will be determined at the end of the current tax year ending March 31, 2020.

The tax character of distributions paid during the most recent 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).

Year Ended March 31, 2019		
Distributions paid from		
Tax-Exempt Income	Net Long-Term Capital Gains	Total Distributions Paid
\$87,767	\$—	\$87,767

(Unaudited)

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

<u>Undistributed Tax-Exempt Income</u>	<u>Accumulated Capital and Other Losses</u>	<u>Unrealized Appreciation (Depreciation)**</u>	<u>Total Accumulated Earnings (Deficit)</u>
\$3,689	\$(60,625)	\$61,354	\$4,418

** The difference between the book-basis and tax-basis of unrealized appreciation/depreciation is attributable primarily to tax deferral of losses on wash sales.

As of the most recent tax year ended March 31, 2019, the Fund had net capital loss carryforwards ("CLCFs") not limited as a result of changes in Fund ownership during the year and in prior years and with no expiration date as summarized in the table below (amounts in thousands).

<u>Short-Term Amount</u>	<u>Long-Term Amount</u>	<u>Total</u>
\$12,229	\$48,396	\$60,625

8. Subsequent Events:

The Fund has evaluated the need for additional disclosures or adjustments resulting from subsequent events through the date these financial statements were issued. Based on this evaluation, there were no subsequent events to report that would have a material impact on the Fund's financial statements.

Shareholder Voting Results

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

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

PROPOSAL 1

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

Number of Shares Voting		
<u>For</u>	<u>Against</u>	<u>Abstain</u>
80,136,139	10,341,276	6,108,544

PROPOSAL 2

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

	Number of Shares Voting	
	<u>For</u>	<u>Votes Withheld</u>
<u>Trustees</u>		
David C. Brown	8,299,565,565	820,887,736
John C. Walters	8,317,935,885	802,517,416

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.

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.

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.

Expense Examples

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 April 1, 2019, through September 30, 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 4/1/19	Actual Ending Account Value 9/30/19	Hypothetical Ending Account Value 9/30/19	Actual Expenses Paid During Period 4/1/19- 9/30/19*	Hypothetical Expenses Paid During Period 4/1/19- 9/30/19*	Annualized Expense Ratio During Period 4/1/19- 9/30/19
Adviser Shares	\$1,000.00	\$1,039.50	\$1,021.50	\$3.57	\$3.54	0.70%
Fund Shares	1,000.00	1,040.60	1,022.60	2.45	2.43	0.48%

* Expenses are equal to the average account value multiplied by the Fund's annualized expense ratio multiplied by 183/366 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

Advisory Contract Approval

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

In advance of the meeting, the Trustees received and considered a variety of information relating to the Advisory Agreement and the Manager and were given the opportunity to ask questions and request additional information from management. The information provided to the Board included, among other things: (i) a separate report prepared by an independent third party, which provided a statistical analysis comparing the Fund’s investment performance, expenses, and fees to comparable investment companies; (ii) information concerning the services rendered to the Fund, as well as information regarding the Manager’s revenues and costs of providing services to the Fund and compensation paid to affiliates of the Manager; and (iii) information about the Manager’s operations and personnel. Prior to voting, the Independent Trustees reviewed the proposed continuation of the Advisory Agreement with management and with experienced counsel retained by the Independent Trustees (“Independent Counsel”) and received materials from such Independent Counsel discussing the legal standards for their consideration of the proposed continuation of the Advisory Agreement with respect to the Fund. The Independent Trustees also reviewed the proposed continuation of the Advisory Agreement with respect to the Fund in private sessions with their Independent Counsel at which no representatives of management were present.

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

Advisory Agreement

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

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

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

(Unaudited)

The Board also considered the significant risks assumed by the Manager in connection with the services provided to the Fund, including investment, operational, enterprise, litigation, regulatory and compliance risks.

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

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

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

In considering the Fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Trustees also reviewed various comparative data provided to them in connection with their consideration of the renewal of the Advisory Agreement, including, among other information, a comparison of the Fund's average annual total return with its Lipper index and with that of other mutual funds deemed to be in its peer group by the independent third party in its report (the "performance universe"). The Fund's performance universe consisted of the Fund and all retail and institutional open-end investment companies with the same classification/objective as the Fund regardless of asset size or primary channel of distribution. This comparison indicated that, among other data, the Fund's performance was above the average of its performance universe and below its Lipper index for the one- and five-year periods ended December 31, 2018, was above the average of its performance universe and equal to its Lipper index for the three-year period ended December 31, 2018, and was above the average of its performance universe and its Lipper index for the ten-year period ended December 31, 2018. The Board also noted that the Fund's percentile performance ranking was in the top 35% of its performance universe for the one-year period ended December 31, 2018, was in the top 30% of its performance universe for the three-year period ended December 31, 2018, was in the top 40% of its performance universe for the five-year period ended December 31, 2018, and was in the top 25% of its performance universe for the ten-year period ended December 31, 2018. The Board took into account management's discussion of the Fund's performance, including its strong performance over the long-term.

Compensation and Profitability — The Board took into consideration the level and method of computing the management fee. The information considered by the Board included operating profit margin information for the Manager's business as a whole. The Board also received and considered profitability information related to the management revenues from the Fund. This information included a review of the methodology used in the

(Unaudited)

allocation of certain costs to the Fund. The Trustees reviewed the profitability of the Manager's relationship with the Fund before tax expenses. The Board was also provided with an Investment Management Profitability Analysis prepared by an independent information service. In reviewing the overall profitability of the management fee to the Manager, the Board also considered the fact that the Manager and its affiliates provide shareholder servicing and administrative services to the Fund for which they receive compensation. The Board also considered the possible direct and indirect benefits to the Manager from its relationship with the Trust, including that the Manager may derive reputational and other benefits from its association with the Fund. The Board also took into account the high quality of services received by the Fund from the Manager. The Trustees recognized that the Manager should be entitled to earn a reasonable level of profits in exchange for the level of services it provides to the Fund and the entrepreneurial and other risks that it assumes as Manager.

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

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

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.

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MUTUAL FUNDS

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