



MUTUAL FUNDS

JANUARY 31, 2020

Semi Annual Report

USAA Small Cap Stock Fund

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

The USAA Small Cap Stock Fund seeks long-term growth of capital.

Top 10 Holdings*

1/31/20

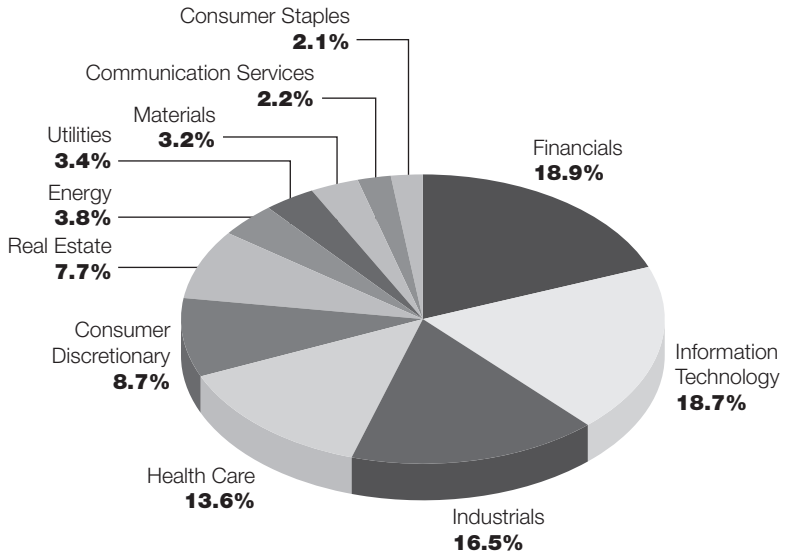
(% of Net Assets)

<i>Radian Group, Inc.</i>	0.8%
<i>Enphase Energy, Inc.</i>	0.7%
<i>Portland General Electric Co.</i>	0.7%
<i>NorthWestern Corp.</i>	0.7%
<i>WNS Holdings Ltd.</i>	0.7%
<i>International Bancshares Corp.</i>	0.6%
<i>Exact Sciences Corp.</i>	0.6%
<i>Repligen Corp.</i>	0.6%
<i>Limelight Networks, Inc.</i>	0.6%
<i>Cathay General Bancorp</i>	0.5%

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

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

Sector Allocation*
1/31/20
(% of Net Assets)



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

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

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Common Stocks (98.8%)		
Communication Services (2.2%):		
ANGI Homeservices, Inc. Class A (a) (b)	25,426	\$ 204
Cogent Communications Holdings, Inc.	31,454	2,231
Gray Television, Inc. (a)	286,635	5,813
Liberty Broadband Corp. Class A (a)	18,139	2,387
Liberty TripAdvisor Holdings, Inc. (a)	125,405	739
Live Nation Entertainment, Inc. (a)	3,392	231
Match Group, Inc. (a) (b)	2,948	231
Meredith Corp. (b)	52,089	1,565
MSG Networks, Inc. Class A (a) (b)	108,038	1,643
Sinclair Broadcast Group, Inc. Class A	64,404	1,927
TechTarget, Inc. (a)	93,500	2,374
TEGNA, Inc.	326,710	5,522
The E.W. Scripps Co. Class A	49,500	601
Vonage Holdings Corp. (a)	830,550	7,367
Yelp, Inc. (a)	52,300	1,704
		34,539
Consumer Discretionary (8.7%):		
Aaron's, Inc.	62,352	3,701
Afyra Ltd. Class A (a)	72,481	2,164
American Axle & Manufacturing Holdings, Inc. (a)	227,700	2,104
American Eagle Outfitters, Inc.	358,265	5,159
American Outdoor Brands Corp. (a)	130,600	1,230
Bed Bath & Beyond, Inc. (b)	252,516	3,598
Big Lots, Inc.	49,974	1,352
Bright Horizons Family Solutions, Inc. (a)	19,300	3,160
Burlington Stores, Inc. (a)	7,914	1,721
Carriage Services, Inc.	32,800	776
Cavco Industries, Inc. (a) (b)	7,096	1,590
Century Communities, Inc. (a)	21,800	647
Chegg, Inc. (a)	164,654	6,789
Chewy, Inc. (a)	30,751	815
Clarus Corp.	88,217	1,166
Cooper Tire & Rubber Co.	109,257	2,894
Cracker Barrel Old Country Store, Inc. (b)	11,400	1,743
Crocs, Inc. (a)	59,206	2,244
Dana, Inc.	231,053	3,560
Designer Brands, Inc. Class A	39,932	569
Dillard's, Inc. Class A (b)	29,600	1,798
Etsy, Inc. (a)	80,561	3,932
Five Below, Inc. (a)	14,640	1,658
Gentherm, Inc. (a)	108,202	4,990
G-III Apparel Group Ltd. (a)	30,500	830
Grand Canyon Education, Inc. (a)	3,391	265
Green Brick Partners, Inc. (a)	68,800	797
Group 1 Automotive, Inc.	53,147	5,355
Helen of Troy Ltd. (a)	7,553	1,428
Jack in the Box, Inc.	33,883	2,770

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
KB Home	165,392	\$ 6,210
Kontoor Brands, Inc.	64,333	2,453
Laureate Education, Inc. (a)	28,000	584
Levi Strauss & Co. Class A (b)	198,265	3,895
Lithia Motors, Inc. Class A	13,400	1,818
Luckin Coffee, Inc., ADR (a) (b)	96,427	3,133
M/I Homes, Inc. (a)	50,900	2,259
Motorcar Parts of America, Inc. (a)	132,917	2,640
Murphy USA, Inc. (a)	5,100	521
Office Depot, Inc.	1,011,617	2,246
OneSpaWorld Holdings Ltd. (b)	78,759	1,182
Planet Fitness, Inc. Class A (a)	20,050	1,620
RH (a)	14,100	2,943
RumbleON, Inc. Class B (a)	97,600	50
Sally Beauty Holdings, Inc. (a)	56,654	870
Signet Jewelers Ltd.	109,422	2,660
Skyline Champion Corp. (a)	101,620	2,922
Stamps.com, Inc. (a)	8,980	669
Steven Madden Ltd.	76,100	2,934
Strategic Education, Inc.	6,577	1,067
Taylor Morrison Home Corp. Class A (a)	263,610	6,823
Texas Roadhouse, Inc.	49,657	3,104
The Cato Corp. Class A	45,472	729
The Cheesecake Factory, Inc. (b)	40,400	1,551
The Children's Place, Inc. (b)	33,326	1,989
TRI Pointe Group, Inc. (a)	152,526	2,480
ZAGG, Inc. (a) (b)	94,878	717
		130,874
Consumer Staples (2.1%):		
B&G Foods, Inc. (b)	77,900	1,251
C&C Group PLC	366,674	1,734
Cal-Maine Foods, Inc.	34,000	1,213
Cranswick PLC	50,255	2,369
Edgewell Personal Care Co. (a)	127,873	3,302
Grocery Outlet Holding Corp. (a) (b)	67,664	2,215
Hostess Brands, Inc. (a)	124,712	1,674
Medifast, Inc. (b)	11,000	1,063
Performance Food Group Co. (a)	117,291	6,075
Sanderson Farms, Inc.	9,100	1,253
Spectrum Brands Holdings, Inc.	42,220	2,593
The Boston Beer Co., Inc. Class A (a)	5,500	1,960
The Simply Good Foods Co. (a)	63,600	1,461
Universal Corp.	32,146	1,709
		29,872
Energy (3.8%):		
Arch Coal, Inc. Class A	62,896	3,241
Archrock, Inc.	58,000	484
Bonanza Creek Energy, Inc. (a)	45,600	829
Cactus, Inc.	68,400	1,971

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Callon Petroleum Co. (a)	947,585	\$ 2,843
CNX Resources Corp. (a)	413,987	2,993
CONSOL Energy, Inc. (a)	42,792	348
CVR Energy, Inc.	64,994	2,249
Delek US Holdings, Inc.	159,300	4,374
DHT Holdings, Inc.	148,700	837
Dorian LPG Ltd. (a)	126,625	1,661
Dril-Quip, Inc. (a)	72,057	2,948
Era Group, Inc. (a)	294,637	2,929
Kosmos Energy Ltd.	331,230	1,693
Magnolia Oil & Gas Corp. (a)	255,546	2,688
Montage Resources Corp. (a) (b)	77,700	284
Nordic American Tankers Ltd.	168,800	571
Parsley Energy, Inc. Class A	125,995	2,097
Peabody Energy Corp.	177,987	1,203
Propetro Holding Corp. (a)	271,998	2,649
Renewable Energy Group, Inc. (a) (b)	102,028	2,681
REX American Resources Corp. (a)	17,559	1,323
Ring Energy, Inc. (a) (b)	1,483,220	3,204
Scorpio Tankers, Inc.	128,859	3,008
SEACOR Holdings, Inc. (a)	90,528	3,403
SEACOR Marine Holdings, Inc. (a)	177,851	1,856
Talos Energy, Inc. (a)	74,049	1,625
Transocean Ltd. (a)	92,100	420
World Fuel Services Corp.	31,100	1,217
		57,629
Financials (18.9%):		
1st Source Corp. (b)	143,596	6,777
Amerant Bancorp, Inc. (a)	66,986	1,248
American Equity Investment Life Holding Co.	199,100	5,259
AMERISAFE, Inc.	25,247	1,727
Argo Group International Holdings Ltd.	25,757	1,690
Atlantic Union Bankshares Corp.	61,020	2,056
Banc of California, Inc.	151,774	2,422
Banco Latinoamericano Comercio Exterior SA Class E	19,001	383
Bank OZK Class A	119,224	3,241
BGC Partners, Inc. Class A	591,029	3,410
Boston Private Financial Holdings, Inc.	123,562	1,409
Brighthouse Financial, Inc. (a)	33,900	1,319
BrightSphere Investment Group	218,138	2,009
Cannae Holdings, Inc. (a)	39,800	1,618
Cathay General Bancorp	230,772	8,323
Centerstate Banks, Inc.	66,000	1,489
Central Pacific Financial Corp.	67,075	1,860
CNO Financial Group, Inc.	250,600	4,407
Community Bank System, Inc.	83,354	5,524
ConnectOne Bancorp, Inc. Class A	80,542	1,901
Customers Bancorp, Inc. Class A (a)	144,911	3,099
eHealth, Inc. (a)	28,718	3,020
Encore Capital Group, Inc. (a)	53,603	1,820

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Enova International, Inc. (a)	159,985	\$ 4,009
Enterprise Financial Services Corp.	41,800	1,819
Essent Group Ltd.	67,319	3,340
FBL Financial Group, Inc. Class A	3,164	170
Federal Agricultural Mortgage Corp.	7,375	563
FGL Holdings	334,289	3,226
Financial Institutions, Inc.	12,500	385
First Bancorp, Inc.	356,677	3,306
First Busey Corp.	176,481	4,500
First Financial Corp. Class A	22,984	959
First Internet Bancorp	42,600	1,129
First Merchants Corp.	58,200	2,313
First Midwest Bancorp, Inc.	160,254	3,195
Flagstar Bancorp, Inc. Class A	50,800	1,790
Flushing Financial Corp.	256,227	5,091
Fulton Financial Corp.	488,239	8,042
Great Ajax Corp.	82,600	1,246
Great Western Bancorp, Inc.	180,330	5,329
Green Dot Corp. Class A (a)	57,153	1,719
Hallmark Financial Services, Inc. (a)	77,300	1,330
Hancock Whitney Corp. Class B	124,900	4,964
Hanmi Financial Corp.	67,519	1,136
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	21,300	726
HBT Financial, Inc. (a)	113,434	2,193
Hope Bancorp, Inc.	208,018	2,892
Independent Bank Group, Inc.	16,000	856
International Bancshares Corp.	235,679	9,285
Invesco Mortgage Capital, Inc.	73,700	1,290
James River Group Holdings Ltd.	44,036	1,891
Kemper Corp.	31,183	2,321
Kinsale Capital Group, Inc.	32,218	3,679
Lakeland Financial Corp.	54,000	2,562
Luther Burbank Corp.	59,700	616
Meridian Bancorp, Inc.	77,370	1,392
Metropolitan Bank Holding Corp. (a)	6,700	329
MGIC Investment Corp.	413,414	5,701
Mid Penn Bancorp, Inc.	15,700	377
Morningstar, Inc.	20,331	3,190
National General Holdings Corp.	86,591	1,885
Navient Corp.	81,800	1,176
NBT Bancorp, Inc.	42,760	1,616
Northwest Bancshares, Inc.	237,825	3,740
OFG Bancorp	69,400	1,368
Onemain Holdings, Inc.	48,000	2,034
Oppenheimer Holdings, Inc.	39,223	1,081
Pacific Premier Bancorp, Inc.	33,100	986
Park National Corp.	20,584	1,955
Pennymac Financial Services	67,100	2,263
Pennymac Mortgage Investment Trust	44,300	1,030
Piper Sandler Cos.	32,571	2,685

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Preferred Bank	46,871	\$ 2,817
Primerica, Inc.	21,961	2,604
ProAssurance Corp.	74,800	2,272
Provident Financial Services, Inc.	117,440	2,679
Radian Group, Inc.	509,336	12,472
RBB Bancorp	61,500	1,210
Ready Capital Corp.	65,900	1,075
Renasant Corp.	32,500	1,038
S&T Bancorp, Inc.	61,483	2,311
ServisFirst Bancshares, Inc.	58,352	2,144
Simmons First National Corp. Class A	32,200	772
SLM Corp.	286,739	3,131
Solar Capital Ltd.	187,083	3,845
South State Corp.	15,100	1,142
Southside Bancshares, Inc.	45,942	1,612
Stifel Financial Corp.	85,404	5,525
Stock Yards Bancorp, Inc.	8,718	338
Synovus Financial Corp.	118,604	4,153
Texas Capital Bancshares, Inc. (a)	51,517	2,831
The Bancorp, Inc. (a)	32,000	379
The Bank of NT Butterfield & Son Ltd.	185,769	6,171
The First of Long Island Corp.	13,400	296
Tompkins Financial Corp. (b) (c)	24,070	2,072
Tradeweb Markets, Inc. Class A	118,833	5,487
TrustCo Bank Corp.	184,318	1,462
Trustmark Corp.	103,267	3,302
UMB Financial Corp.	53,589	3,562
United Community Banks, Inc.	47,900	1,337
Universal Insurance Holdings, Inc.	53,200	1,295
Valley National Bancorp	179,100	1,886
Virtus Investment Partners, Inc.	17,200	2,116
Waddell & Reed Financial, Inc. Class A (b)	331,784	5,302
Walker & Dunlop, Inc.	89,749	5,957
Washington Federal, Inc.	132,600	4,508
Washington Trust Bancorp, Inc.	5,582	264
Western Asset Mortgage Capital Corp.	50,200	533
White Mountains Insurance Group Ltd.	1,230	1,374
World Acceptance Corp. (a)	20,100	1,738
		289,703
Health Care (13.6%):		
10X Genomics, Inc. Class A (a)	546	50
1Life Healthcare, Inc. (a)	17,520	387
ABIOMED, Inc. (a)	22,249	4,145
Acceleron Pharma, Inc. (a)	42,159	3,828
Adaptive Biotechnologies Corp. (a)	23,059	690
Aerie Pharmaceuticals, Inc. (a) (b)	169,125	3,464
Akero Therapeutics, Inc. (a)	30,654	757
Allscripts Healthcare Solutions, Inc. (a)	248,515	2,132
Amedisys, Inc. (a)	32,000	5,647
AMN Healthcare Services, Inc. (a)	22,683	1,528

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Aprea Therapeutics, Inc. (a)	19,523	\$ 749
Argenx SE, ADR (a)	42,381	6,115
Arrowhead Pharmaceuticals, Inc. (a)	41,883	1,755
Athenex, Inc. (a) (b)	40,446	542
AtriCure, Inc. (a)	22,695	883
Aurinia Pharmaceuticals, Inc. (a)	185,949	3,404
Avid Bioservices, Inc. (a)	46,100	305
Avrobio, Inc. (a)	27,153	590
Axogen, Inc. (a)	49,424	611
Bicycle Therapeutics Ltd. (a) (b)	24,619	270
Biodelivery Sciences International, Inc. (a)	123,200	647
Black Diamond Therapeutics, Inc. (a)	9,643	362
Bluebird Bio, Inc. (a)	7,182	572
Cabaletta Bio, Inc. (a)	68,072	1,118
Cara Therapeutics, Inc. (a) (b)	47,628	767
Cardiovascular Systems, Inc. (a)	55,735	2,530
Castle Biosciences, Inc. (a) (b)	59,125	1,823
Collectis SA, ADR (a)	14,000	217
Collegium Pharmaceutical, Inc. (a)	127,131	2,557
CONMED Corp.	33,298	3,386
CRISPR Therapeutics AG (a)	8,978	466
Cryoport, Inc. (a) (b)	163,350	2,926
Cymabay Therapeutics, Inc. (a)	71,534	110
CytomX Therapeutics, Inc. Class A (a)	27,423	203
Cytosorbents Corp. (a) (b)	301,767	1,490
Deciphera Pharmaceuticals, Inc. (a)	29,579	1,853
DexCom, Inc. (a)	14,152	3,407
Dicerna Pharmaceuticals, Inc. (a)	30,361	599
Enanta Pharmaceuticals, Inc. (a)	31,946	1,646
Encompass Health Corp.	24,287	1,871
Endo International PLC (a)	106,105	602
Esperion Therapeutics, Inc. (a) (b)	52,745	2,852
Evolent Health, Inc. (a)	176,145	1,776
Exact Sciences Corp. (a)	95,791	8,936
Fennec Pharmaceuticals, Inc. (a) (b)	173,245	1,154
Flexion Therapeutics, Inc. (a) (b)	81,644	1,430
Fluidigm Corp. (a)	117,722	452
Genfit, ADR (a) (b)	29,658	504
Globus Medical, Inc. (a)	51,828	2,710
Guardant Health, Inc. (a)	18,050	1,373
HealthEquity, Inc. (a)	75,966	5,018
HMS Holdings Corp. (a)	36,300	992
Immunomedics, Inc. (a)	159,729	2,966
Insmed, Inc. (a)	126,576	2,600
Inspire Medical System, Inc. (a)	36,289	2,714
Insulet Corp. (a)	21,431	4,157
Intercept Pharmaceuticals, Inc. (a)	10,317	953
Invacare Corp.	5,398	42
Ionis Pharmaceuticals, Inc. (a)	3,164	185
Iovance Biotherapeutics, Inc. (a)	54,433	1,183

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Jounce Therapeutics, Inc. (a)	20,712	\$ 130
Lannett Co., Inc. (a) (b)	50,500	411
Lantheus Holdings, Inc. (a)	39,420	690
Lexicon Pharmaceuticals (a) (b)	46,021	142
Ligand Pharmaceuticals, Inc. (a) (b)	24,385	2,141
LivaNova PLC (a)	43,100	2,929
MacroGenics, Inc. (a)	38,368	355
Mallinckrodt PLC (a)	108,949	500
Merit Medical Systems, Inc. (a)	94,465	3,440
Myriad Genetics, Inc. (a)	42,339	1,171
Natera, Inc. (a)	52,058	1,823
Natus Medical, Inc. (a)	32,755	1,025
NeoGenomics, Inc. (a)	106,381	3,429
NextCure, Inc. (a)	45,789	1,957
NGM Biopharmaceuticals, Inc. (a) (b)	33,377	540
Novocure Ltd. (a)	47,727	3,888
Nupathe, Inc. (a) (d)	133,709	—
Orchard Therapeutics PLC, ADR (a)	122,515	1,521
Organogenesis Holdings, Inc. (a)	222,300	994
Orthopediatrics Corp. (a)	74,441	3,419
Oxford Immunotec Global PLC (a)	122,667	1,899
Oyster Point Pharma, Inc. (a)	9,076	286
Pacira BioSciences, Inc. (a)	71,726	3,100
Portola Pharmaceuticals, Inc. (a) (b)	55,755	713
Principia Biopharma, Inc. (a)	23,283	1,226
Quanterix Corp. (a) (b)	80,500	2,182
RadNet, Inc. (a)	71,742	1,619
Reata Pharmaceuticals, Inc. Class A (a)	15,944	3,488
Repligen Corp. (a)	88,800	8,915
SI-BONE, Inc. (a)	113,215	2,390
Sientra, Inc. (a)	325,767	1,974
Silk Road Medical, Inc. (a)	49,659	2,311
Stemline Therapeutics, Inc. (a) (b)	56,121	372
Stoke Therapeutics, Inc. (a)	26,265	734
Sutro Biopharma Inc. (a)	53,901	552
Syneos Health, Inc. (a)	18,600	1,141
TCR2 Therapeutics, Inc. (a)	71,284	1,046
Teladoc Health, Inc. (a) (b)	46,497	4,729
Tenet Healthcare Corp. (a)	27,212	861
TG Therapeutics, Inc. (a) (b)	51,503	732
The Ensign Group, Inc.	73,162	3,307
The Pennant Group, Inc. (a)	17,307	457
Triple-S Management Corp. (a)	53,802	948
UroGen Pharma Ltd. (a) (b)	27,217	800
Veeva Systems, Inc. Class A (a)	2,940	431
Veracyte, Inc. (a)	241,426	6,338
Vericel Corp. (a)	282,757	4,638
Viking Therapeutics, Inc. (a) (b)	134,098	842
West Pharmaceutical Services, Inc.	14,329	2,235
Xencor, Inc. (a)	47,169	1,600

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Xenon Pharmaceuticals, Inc. (a)	87,319	\$ 1,278
Zai Lab Ltd., ADR (a)	24,854	1,267
		203,917
Industrials (16.5%):		
ACCO Brands Corp.	709,674	6,131
AECOM (a)	42,400	2,045
Aerogjet Rocketdyne Holdings, Inc. (a)	50,925	2,652
Albany International Corp.	10,048	701
American Woodmark Corp. (a)	30,550	3,350
Apogee Enterprises, Inc.	59,407	1,890
ASGN, Inc. (a)	75,700	5,124
Astronics Corp. (a)	48,476	1,222
Atkore International Group, Inc. (a)	51,113	2,029
Axon Enterprise, Inc. (a) (b)	71,188	5,467
Beacon Roofing Supply, Inc. (a)	97,617	3,232
Brady Corp. Class A	32,932	1,823
Brightview Holdings, Inc. (a)	65,954	1,042
Builders FirstSource, Inc. (a)	51,500	1,277
BWX Technologies, Inc.	32,036	2,037
Casella Waste Systems, Inc. (a)	134,443	6,882
CBIZ, Inc. (a)	24,770	669
Chart Industries, Inc. (a)	91,851	5,877
CIRCOR International, Inc. (a)	15,200	631
Columbus McKinnon Corp.	90,201	3,156
Comfort Systems USA, Inc.	31,427	1,458
Commercial Vehicle Group, Inc. (a)	51,400	256
Construction Partners, Inc. (a)	136,068	2,283
Continental Building Products, Inc. (a)	41,647	1,541
Deluxe Corp.	118,300	5,703
DMC Global, Inc. (b)	145,376	6,082
Douglas Dynamics, Inc.	64,151	3,363
Dycom Industries, Inc. (a)	32,200	1,302
EMCOR Group, Inc.	41,780	3,433
Enphase Energy, Inc. (a) (b)	345,361	10,885
EnPro Industries, Inc.	42,753	2,498
ESCO Technologies, Inc.	44,003	4,223
Forrester Research, Inc. (a)	93,357	3,862
Forward Air Corp.	59,840	3,917
Franklin Electric Co., Inc.	33,729	1,946
FTI Consulting, Inc. (a)	2,510	301
GATX Corp.	27,098	2,063
Gibraltar Industries, Inc. (a)	15,900	867
GMS, Inc. (a)	126,980	3,392
Griffon Corp.	32,200	669
Hawaiian Holdings, Inc.	87,400	2,437
Headhunter Group PLC, ADR	68,780	1,465
Heartland Express, Inc.	69,600	1,301
Hillenbrand, Inc.	46,344	1,345
Hudson Technologies, Inc. (a) (b)	120,238	99
Huron Consulting Group, Inc. (a)	50,503	3,272

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
ICF International, Inc.	22,509	\$ 1,972
Insperty, Inc.	25,484	2,227
John Bean Technologies Corp.	23,337	2,637
Kelly Services, Inc. Class A	145,800	2,590
Kornit Digital Ltd. (a)	155,101	6,481
Kratos Defense & Security Solutions, Inc. (a)	115,853	2,125
Luxfer Holdings PLC	347,906	5,550
Marten Transport Ltd.	66,130	1,373
Masonite International Corp. (a)	61,530	4,622
Mathews International Corp. Class A	56,475	2,108
McGrath RentCorp	22,639	1,750
Meritor, Inc. (a)	95,357	2,089
Mesa Air Group, Inc. (a)	65,100	556
Mistras Group, Inc. (a)	111,630	1,236
Mobile Mini, Inc.	62,500	2,609
MSA Safety, Inc.	21,364	2,897
Mueller Industries, Inc.	148,588	4,335
NN, Inc.	47,100	406
Northwest Pipe Co. (a)	47,200	1,545
Owens Corning, Inc.	35,911	2,172
Parsons Corp. (a)	84,580	3,459
PGT Innovations, Inc. (a)	118,228	1,833
Primoris Services Corp.	157,784	3,365
Proto Labs, Inc. (a)	17,400	1,801
Quanta Services, Inc.	19,600	767
RBC Bearings, Inc. (a)	36,219	5,633
Rexnord Corp. (a)	34,524	1,127
Rush Enterprises, Inc. Class A	154,699	6,652
Saia, Inc. (a)	14,020	1,221
Simpson Manufacturing Co., Inc.	30,300	2,505
SkyWest, Inc.	17,800	982
SP Plus Corp. (a)	102,224	4,274
Spirit Airlines, Inc. (a)	77,666	3,189
Steelcase, Inc. Class A	83,976	1,563
Terex Corp.	80,031	2,029
Tetra Tech, Inc.	36,300	3,107
The Greenbrier Cos., Inc.	61,900	1,491
The Manitowoc Co., Inc. (a)	44,100	637
The Timken Co.	29,400	1,544
Thermon Group Holdings, Inc. (a)	201,651	4,780
Titan Machinery, Inc. (a)	177,578	2,169
TriMas Corp. (a)	114,100	3,278
Triton International Ltd.	6,200	233
TrueBlue, Inc. (a)	80,090	1,755
Tutor Perini Corp. (a)	142,027	1,600
Tyman PLC	698,218	2,510
Universal Forest Products, Inc.	37,900	1,815
Valmont Industries, Inc.	16,420	2,333
Vicor Corp. (a)	3,400	170
VSE Corp.	23,215	722

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Wabash National Corp.	99,636	\$ 1,156
Watts Water Technologies, Inc. Class A	17,391	1,734
		249,914
Information Technology (18.7%):		
2u, Inc. (a) (b)	50,886	1,008
Adesto Technologies Corp. (a) (b)	767,323	5,447
Advanced Energy Industries, Inc. (a)	8,247	577
Akamai Technologies, Inc. (a)	14,167	1,322
Akoustis Technologies, Inc. (a) (b)	109,750	807
Alteryx, Inc. Class A (a)	20,224	2,821
Amkor Technology, Inc. (a)	101,067	1,137
Anixter International, Inc. (a)	27,569	2,691
Badger Meter, Inc.	19,947	1,178
Belden, Inc.	113,600	5,598
Benchmark Electronics, Inc.	54,171	1,667
Bill.com Holdings, Inc. (a)	1,007	51
Blackbaud, Inc.	34,409	2,695
Brooks Automation, Inc.	149,201	5,681
CACI International, Inc. Class A (a)	5,100	1,364
Cardtronics PLC Class A (a) (b)	56,942	2,562
Ciena Corp. (a)	24,850	1,011
Cirrus Logic, Inc. (a)	87,761	6,740
Cloudera, Inc. (a) (b)	444,938	4,579
Cloudflare, Inc. Class A (a) (b)	136,120	2,431
Coherent, Inc. (a)	8,650	1,223
Cornerstone OnDemand, Inc. (a)	72,067	4,237
Coupa Software, Inc. (a)	6,287	1,013
CSG Systems International, Inc.	42,463	2,116
CTS Corp.	145,215	4,256
CyberArk Software Ltd. (a)	18,700	2,585
Datadog, Inc. Class A (a)	38,587	1,783
Digital Turbine, Inc. (a)	532,488	3,323
DocuSign, Inc. Class A (a)	28,650	2,249
Dropbox, Inc. (a)	111,532	1,898
Ebix, Inc.	33,100	1,140
Elastic NV (a)	22,019	1,429
EPAM Systems, Inc. (a)	23,248	5,304
Euronet Worldwide, Inc. (a)	32,729	5,159
EVERTEC, Inc.	52,547	1,764
Five9, Inc. (a)	15,783	1,132
Globant SA (a)	35,814	4,394
GoDaddy, Inc. Class A (a)	25,705	1,728
Ichor Holdings Ltd. (a)	21,300	711
Inphi Corp. (a)	31,800	2,416
Insight Enterprises, Inc. (a)	46,986	3,094
InterDigital, Inc.	61,659	3,407
j2 Global, Inc.	26,207	2,512
Jabil, Inc.	30,700	1,194
KBR, Inc.	31,400	854
Lattice Semiconductor Corp. (a)	69,300	1,289

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Limelight Networks, Inc. (a)	1,680,918	\$ 8,389
LivePerson, Inc. (a)	101,925	4,181
Lumentum Holdings, Inc. (a)	20,885	1,582
Marvell Technology Group Ltd.	36,383	875
MAXIMUS, Inc.	61,201	4,391
Methode Electronics, Inc.	33,800	1,107
Mimecast Ltd. (a)	67,972	3,469
Mix Telematics Ltd., ADR	16,764	219
Monolithic Power Systems, Inc.	9,000	1,541
Napco Security Technologies, Inc (a)	84,478	2,484
NetScout Systems, Inc. (a)	67,852	1,744
New Relic, Inc. (a)	46,342	3,059
Nutanix, Inc. Class A (a)	88,329	2,868
Okta, Inc. (a)	21,100	2,702
ON Semiconductor Corp. (a)	148,652	3,441
OneSpan, Inc. (a)	63,074	1,048
Onto Innovation, Inc. (a)	116,739	4,429
OSI Systems, Inc. (a)	35,243	3,050
PagerDuty, Inc. (a) (b)	67,083	1,564
Paycom Software, Inc. (a)	1,752	557
PC Connection, Inc.	18,900	942
Perficient, Inc. (a)	102,900	5,114
Perspecta, Inc.	249,013	6,989
Ping Identity Holding Corp. (a) (b)	161,709	3,922
Plexus Corp. (a)	13,849	985
Pluralsight, Inc. (a)	163,753	3,176
Power Integrations, Inc.	12,650	1,236
Progress Software Corp.	34,729	1,567
Proofpoint, Inc. (a)	31,729	3,896
PROS Holdings, Inc. (a)	50,200	3,012
PTC, Inc. (a)	29,500	2,452
Pure Storage, Inc. (a)	338,818	6,031
QAD, Inc.	44,129	2,270
Qualys, Inc. (a)	30,000	2,572
Radware Ltd. (a)	103,700	2,642
Rambus, Inc. (a)	117,675	1,868
Rapid7, Inc. (a)	54,940	3,262
RealPage, Inc. (a)	26,518	1,547
Rogers Corp. (a)	3,800	447
Sanmina Corp. (a)	102,700	3,270
Sapiens International Corp. NV	45,001	1,144
Semtech Corp. (a)	43,527	2,098
SharpSpring, Inc. (a) (b)	99,126	1,225
ShotSpotter, Inc. (a) (b)	30,204	829
Silicon Laboratories, Inc. (a)	14,850	1,460
Smartsheet, Inc. Class A (a)	74,941	3,634
Sprout Social, Inc. Class A (a)	89,442	1,836
SPS Commerce, Inc. (a)	43,283	2,460
Sykes Enterprises, Inc. (a)	45,344	1,523
SYNNEX Corp.	18,400	2,535

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Tech Data Corp. (a)	32,683	\$ 4,705
Teradyne, Inc.	26,200	1,729
The Hackett Group, Inc.	66,921	1,034
The Rubicon Project, Inc. (a)	855,884	8,012
The Trade Desk, Inc. Class A (a)	536	144
TransAct Technologies, Inc.	34,403	362
Twilio, Inc. Class A (a)	28,622	3,559
Upland Software, Inc. (a)	11,050	431
Varonis Systems, Inc. (a)	8,140	681
Viavi Solutions, Inc. (a)	71,000	1,001
Virtusa Corp. (a)	119,771	4,987
Vishay Intertechnology, Inc.	98,234	1,993
Wix.com Ltd. (a)	1,950	278
WNS Holdings Ltd., ADR (a)	140,883	10,053
Zendesk, Inc. (a)	18,712	1,617
Zix Corp. (a)	436,896	2,949
Zscaler, Inc. (a) (b)	54,701	3,068
		288,824
Materials (3.2%):		
Commercial Metals Co.	177,002	3,637
Eldorado Gold Corp. (a)	70,500	513
Element Solutions, Inc. (a)	10,010	117
Ferro Corp. (a)	96,600	1,321
FMC Corp.	25,799	2,466
Louisiana-Pacific Corp.	146,960	4,509
Materion Corp.	41,047	2,229
Minerals Technologies, Inc.	61,592	3,335
Neenah, Inc.	34,816	2,320
Olympic Steel, Inc.	24,700	363
Orion Engineered Carbons SA	147,206	2,311
PolyOne Corp.	73,400	2,435
Quaker Chemical Corp.	12,506	2,076
Ryerson Holding Corp. (a)	36,100	370
Schweitzer-Mauduit International, Inc.	31,051	1,088
Sensient Technologies Corp.	20,012	1,196
Stepan Co.	38,530	3,801
Summit Materials, Inc. Class A (a)	115,671	2,541
Trinseo SA	90,332	2,594
Verso Corp. Class A (a)	69,874	1,177
Warrior Met Coal, Inc.	100,398	1,894
Worthington Industries, Inc.	95,655	3,518
Yamana Gold, Inc.	310,000	1,262
		47,073
Real Estate (7.7%):		
Agree Realty Corp.	28,480	2,162
Alexander & Baldwin, Inc.	112,720	2,464
Alexander's, Inc.	5,000	1,613
American Assets Trust, Inc.	37,680	1,717
Ashford Hospitality Trust, Inc.	279,600	688

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
Braemar Hotels & Resorts, Inc.	119,044	\$ 950
Brandywine Realty Trust	151,510	2,367
Chatham Lodging Trust	111,640	1,825
Community Healthcare Trust, Inc.	17,900	844
CoreCivic, Inc.	229,167	3,656
CorEnergy Infrastructure Trust, Inc.	47,064	2,146
Corporate Office Properties Trust	83,195	2,477
DiamondRock Hospitality Co.	463,704	4,484
First Industrial Realty Trust, Inc.	61,097	2,609
Firstservice Corp.	19,679	1,934
Forestar Group, Inc. (a)	30,300	614
Global Medical REIT, Inc.	148,954	2,175
Healthcare Realty Trust, Inc.	82,325	2,969
Independence Realty Trust, Inc.	102,600	1,505
Industrial Logistics Properties Trust	103,406	2,367
Innovative Industrial Properties, Inc.	25,083	2,245
Lexington Realty Trust	470,668	5,209
National Health Investors, Inc.	31,047	2,620
Newmark Group, Inc.	468,897	5,519
NexPoint Residential Trust, Inc.	12,900	630
Office Properties Income Trust	60,200	2,049
Physicians Realty Trust	341,547	6,608
Piedmont Office Realty Trust, Inc.	161,597	3,746
PotlatchDeltic Corp.	64,913	2,791
PS Business Parks, Inc.	5,399	905
QTS Realty Trust, Inc. Class A (b)	64,304	3,657
Retail Opportunity Investments Corp.	91,757	1,520
Rexford Industrial Realty, Inc.	60,241	2,903
RLJ Lodging Trust	214,325	3,335
RPT Realty	210,907	2,942
Sabra Health Care REIT, Inc.	181,648	3,906
Safehold, Inc. (b)	20,700	931
Spirit Realty Capital, Inc.	31,200	1,647
STAG Industrial, Inc.	131,434	4,238
Summit Hotel Properties, Inc.	316,160	3,506
Sun Communities, Inc.	9,498	1,540
Sunstone Hotel Investors, Inc.	279,802	3,548
The GEO Group, Inc.	120,420	1,903
UMH Properties, Inc.	144,298	2,280
Universal Health Realty Income Trust	19,560	2,413
Urban Edge Properties	88,282	1,624
Xenia Hotels & Resorts, Inc.	172,531	3,225
		119,006
Utilities (3.4%):		
ALLETE, Inc.	99,280	8,288
Avista Corp.	116,725	5,935
Black Hills Corp.	18,800	1,561
Clearway Energy, Inc.	63,757	1,319
IDACORP, Inc.	31,621	3,548
New Jersey Resources Corp.	27,958	1,155

See notes to financial statements.

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares	Value
NorthWestern Corp.	132,784	\$ 10,221
Otter Tail Corp.	50,851	2,724
Portland General Electric Co.	175,117	10,769
Southwest Gas Holdings, Inc.	10,100	763
Spire, Inc.	55,086	4,645
		<u>50,928</u>
Total Common Stocks (Cost \$1,271,596)		1,502,279
Exchange-Traded Funds (0.5%)		
iShares Russell 2000 Growth ETF	23,142	4,905
Vanguard Small-Cap Value ETF (b)	22,020	2,917
Total Exchange-Traded Funds (Cost \$7,935)		7,822
Collateral for Securities Loaned[^] (5.4%)		
HSBC U.S. Government Money Market Fund, I Shares, 1.52% (e)	76,760,985	76,761
Invesco Government & Agency Portfolio, Institutional Shares, 1.48% (e)	5,567,418	5,567
Total Collateral for Securities Loaned (Cost \$82,328)		82,328
Total Investments (Cost \$1,361,859) — 104.7%		1,592,429
Liabilities in excess of other assets — (4.7%)		(70,948)
NET ASSETS — 100.00%		\$1,521,481

[^] Purchased with cash collateral from securities on loan.

- (a) Non-income producing security.
- (b) All or a portion of this security is on loan.
- (c) The Fund's Adviser has deemed this security to be illiquid based upon procedures approved by the Board of Trustees. As of January 31, 2020, illiquid securities were 0.1% of the Fund's net assets.
- (d) Security was fair valued based upon procedures approved by the Board of Trustees and represents 0.0% of the Fund's net assets as of January 31, 2020. This security is classified as Level 3 within the fair value hierarchy. (See Note 2 in the Notes to Financial Statements)
- (e) Rate disclosed is the daily yield on January 31, 2020.

ADR — American Depositary Receipt

ETF — Exchange-Traded Fund

PLC — Public Limited Company

REIT — Real Estate Investment Trust

See notes to financial statements.

Statement of Assets and Liabilities

USAA Mutual Funds Trust

January 31, 2020

(Amounts in Thousands, Except Per Share Amounts)

(Unaudited)

	USAA Small Cap Stock Fund
Assets:	
Investments, at value (Cost \$1,361,859)	\$1,592,429(a)
Cash and cash equivalents	13,793
Receivables:	
Interest and dividends	553
Capital shares issued	872
Investments sold	12,493
Reclaims	—(a)
From Adviser	17
Prepaid expenses	5
Total assets	1,620,162
Liabilities:	
Payables:	
Collateral received on loaned securities	82,328
Investments purchased	13,888
Capital shares redeemed	922
Accrued expenses and other payables:	
Investment advisory fees	1,033
Administration fees	168
Custodian fees	69
Transfer agent fees	141
Compliance fees	—(b)
Other accrued expenses	132
Total liabilities	98,681
Net Assets:	
Capital	1,261,065
Total distributable earnings/(loss)	260,416
Net assets	\$1,521,481
Net Asset:	
Fund Shares	\$ 695,381
Institutional Shares	826,100
Total	\$1,521,481
Shares (unlimited number of shares authorized with no par value):	
Fund Shares	43,535
Institutional Shares	51,133
Total	94,668
Net asset value, offering and redemption price per share: (c)	
Fund Shares	\$ 15.97
Institutional Shares	16.16

(a) Includes \$77,550 of securities on loan

(b) Rounds to less than \$1 thousand.

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

See notes to financial statements.

Statement of Operations

USAA Mutual Funds Trust

For the Six-Months Ended January 31, 2020

(Amounts in Thousands)

(Unaudited)

	USAA Small Cap Stock Fund
Investment Income:	
Dividends	\$11,437
Interest	138
Securities lending (net of fees)	737
Foreign tax withholding	(14)
Total Income	12,298
Expenses:	
Investment advisory fees	5,936
Administration fees — Fund Shares	520
Administration fees — Institutional Shares	445
Sub-Administration fees	40
Custodian fees	43
Transfer agent fees — Fund Shares	510
Transfer agent fees — Institutional Shares	445
Trustees' fees	22
Compliance fees	5
Legal and audit fees	55
State registration and filing fees	32
Interest expense on interfund lending	—(a)
Other expenses	95
Total Expenses	8,148
Expenses waived/reimbursed by Adviser	(22)
Net Expenses	8,126
Net Investment Income (Loss)	4,172
Realized/Unrealized Gains (Losses) from Investments:	
Net realized gains (losses) from investment securities and foreign currency translations	72,973
Net change in unrealized appreciation/depreciation on investment securities	2,501
Net realized/unrealized gains (losses) on investments	75,474
Change in net assets resulting from operations	\$79,646

(a) Rounds to less than \$1 thousand.

See notes to financial statements.

(Amounts in Thousands)

	USAA Small Cap Stock Fund	
	Six-Months Ended January 31, 2020 (unaudited)	Year Ended July 31, 2019
From Investments:		
Operations:		
Net investment income (loss)	\$ 4,172	\$ 10,051
Net realized gains (losses) from investments	72,973	137,832
Net change in unrealized appreciation/depreciation on investments	2,501	(184,256)
Change in net assets resulting from operations	79,646	(36,373)
Distributions to Shareholders:		
Fund Shares	(65,537)	(75,659)
Institutional Shares	(82,906)	(95,199)
Change in net assets resulting from distributions to shareholders	(148,443)	(170,858)
Change in net assets resulting from capital transactions	(8,718)	51,769
Change in net assets	(77,515)	(155,462)
Net Assets:		
Beginning of period	1,598,996	1,754,458
End of period	\$1,521,481	\$1,598,996
Capital Transactions:		
Fund Shares		
Proceeds from shares issued	\$ 34,347	\$ 79,969
Distributions reinvested	64,623	74,755
Cost of shares redeemed	(65,667)	(124,566)
Total Fund Shares	\$ 33,303	\$ 30,158
Institutional Shares		
Proceeds from shares issued	\$ 29,206	\$ 111,029
Distributions reinvested	82,899	95,182
Cost of shares redeemed	(154,126)	(184,600)
Total Institutional Shares	\$ (42,021)	\$ 21,611
Change in net assets resulting from capital transactions	\$ (8,718)	\$ 51,769
Share Transactions:		
Fund Shares		
Issued	2,076	4,681
Reinvested	3,974	5,005
Redeemed	(3,973)	(7,448)
Total Fund Shares	2,077	2,238
Institutional Shares		
Issued	1,758	6,605
Reinvested	5,038	6,312
Redeemed	(9,178)	(10,506)
Total Institutional Shares	(2,382)	2,411
Change in Shares	(305)	4,649

See notes to financial statements.

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For a Share Outstanding Throughout Each Period

	Investment Activities				Distributions to Shareholders From	
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investments
USAA Small Cap Stock Fund						
Fund Shares						
Six-Months Ended						
January 31, 2020 (unaudited)	\$16.74	0.04(d)	0.82	0.86	(0.03)	(1.60)
Year Ended						
July 31, 2019	\$19.33	0.07	(0.71)	(0.64)	(0.04)	(1.91)
Year Ended						
July 31, 2018	\$18.02	0.05	3.19	3.24	(0.07)	(1.86)
Year Ended						
July 31, 2017	\$16.17	0.08	1.99	2.07	(0.03)	(0.19)
Year Ended						
July 31, 2016	\$17.77	0.02	(0.22)	(0.20)	(0.05)	(1.35)
Year Ended						
July 31, 2015	\$18.14	0.02	1.63	1.65	(0.02)	(2.00)
Institutional Shares						
Six-Months Ended						
January 31, 2020 (unaudited)	\$16.91	0.05(d)	0.83	0.88	(0.03)	(1.60)
Year Ended						
July 31, 2019	\$19.50	0.08	(0.71)	(0.63)	(0.05)	(1.91)
Year Ended						
July 31, 2018	\$18.16	0.07	3.22	3.29	(0.09)	(1.86)
Year Ended						
July 31, 2017	\$16.30	0.09	2.02	2.11	(0.06)	(0.19)
Year Ended						
July 31, 2016	\$17.89	0.07	(0.24)	(0.17)	(0.07)	(1.35)
Year Ended						
July 31, 2015	\$18.24	0.05	1.65	1.70	(0.05)	(2.00)

* 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 5 of the accompanying Notes to Financial Statements.

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

(b) Annualized for periods less than one year.

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

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

(e) Reflects total annual operating expenses of the shares before reductions of any expenses paid indirectly. The Fund's expenses paid indirectly decreased the expense ratios by less than 0.01%.

See notes to financial statements.

For a Share Outstanding Throughout Each Period

	Ratios to Average Net Assets					Supplemental Data		
	Total Distributions	Net Asset Value, End of Period	Total Return*(a)	Net Expenses^(b)	Net Investment Income (Loss)(b)	Gross Expenses(b)	Net Assets, End of Period (000's)	Portfolio Turnover(a)(c)
	(1.63)	\$15.97	4.96%	1.09%	0.46%	1.09%	\$695,381	28%
	(1.95)	\$16.74	(2.07)%	1.06%(e)	0.58%	1.06%(e)	\$694,015	84%
	(1.93)	\$19.33	19.21%	1.06%(e)	0.31%	1.06%(e)	\$758,065	68%
	(0.22)	\$18.02	12.81%	1.09%(e)	0.42%	1.09%(e)	\$658,038	53%
	(1.40)	\$16.17	(0.75)%	1.15%(e)	0.18%	1.15%(e)	\$586,438	52%
	(2.02)	\$17.77	9.67%	1.15%(e)	0.06%	1.15%(e)	\$835,256	45%
	(1.63)	\$16.16	5.00%	0.98%	0.58%	0.99%	\$826,100	28%
	(1.96)	\$16.91	(1.98)%	0.96%(e)	0.67%	0.96%(e)	\$904,981	84%
	(1.95)	\$19.50	19.36%	0.95%(e)	0.42%	0.95%(e)	\$996,393	68%
	(0.25)	\$18.16	12.92%	0.97%(e)	0.52%	0.97%(e)	\$892,691	53%
	(1.42)	\$16.30	(0.55)%	0.99%(e)	0.35%	0.99%(e)	\$884,187	52%
	(2.05)	\$17.89	9.85%	0.99%(e)	0.22%	0.99%(e)	\$676,490	45%

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 Small Cap Stock Fund (the “Fund”). The Fund offers two classes of shares: Fund Shares and Institutional 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.

Under the Trust’s organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts with its vendors and others that provide for general indemnifications. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund. However, based on experience, the Fund expects that risk of loss to be remote.

2. Significant Accounting Policies:

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

Investment Valuation:

The Fund records investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities or interest rates applicable to those securities, etc.)
- Level 3 — significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

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

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

Portfolio securities listed or traded on securities exchanges, including exchange-traded funds (“ETFs”), American Depositary Receipts (“ADRs”) and Rights, are valued at the closing price on the exchange or

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system where the security is principally traded, if available, or the over-the-counter markets, are valued at the last sales price or official closing price. If there have been no sales for that day on the exchange or system, then a security is valued at the last available bid quotation on the exchange or system where the security is principally traded. In each of these situations, valuations typically are categorized as Level 1 in the fair value hierarchy.

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

In the event that price quotations or valuations are not readily available, are not reflective of market value, or a significant event has been recognized in relation to a security or class of securities, the securities are valued in good faith by the Committee in accordance with valuation procedures approved by the Board. These valuations typically are categorized as Level 2 or Level 3 in the fair value hierarchy, based on the observability of inputs used to determine the fair value. The effect of fair value pricing is that securities may not be priced on the basis of quotations from the primary market in which they are traded and the actual price realized from the sale of a security may differ materially from the fair value price. Valuing these securities at fair value is intended to cause the Fund's net asset value ("NAV") to be more reliable than it otherwise would be.

In accordance with procedures adopted by the Board, fair value pricing may be used if events materially affecting the value of foreign securities occur between the time the exchange on which they are traded closes and the time the Fund's net asset value is calculated. The Fund uses a systematic valuation model, provided daily by an independent third party to fair value its international equity securities. These valuations are considered as Level 2 in the fair value hierarchy.

A summary of the valuations as of January 31, 2020, 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>
Common Stocks	\$1,495,666	\$6,613	\$—(a)	\$1,502,279
Exchange-Traded Funds	7,822	—	—	7,822
Collateral for Securities Loaned	82,328	—	—	82,328
Total	<u>\$1,585,816</u>	<u>\$6,613</u>	<u>\$—</u>	<u>\$1,592,429</u>

(a) Amount is less than \$1 thousand.

For the six-months ended January 31, 2020, there were no transfers in or out of the Level 3 fair value hierarchy.

Real Estate Investment Trusts ("REITs"):

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

Investment Companies:

Exchange-Traded Funds:

The Fund may invest in ETFs. ETFs are a type of index fund, the shares of which are bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track the performance and dividend yield of a particular domestic or foreign market index. The Fund may purchase shares of an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of

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liquidity of an ETF could result in it being more volatile. Additionally, ETFs have fees and expenses that reduce their value.

Open-End Funds:

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

Foreign Exchange Currency Contracts:

The Fund may enter into foreign exchange currency contracts to convert U.S. dollars to and from various foreign currencies. A foreign exchange currency contract is an obligation by the Fund to purchase or sell a specific currency at a future date at a price (in U.S. dollars) set at the time of the contract. The Fund does not engage in “cross-currency” foreign exchange contracts (i.e., contracts to purchase or sell one foreign currency in exchange for another foreign currency). The Fund’s foreign exchange currency contracts might be considered spot contracts (typically a contract of one week or less) or forward contracts (typically a contract term over one week). A spot contract is entered into for purposes of hedging against foreign currency fluctuations relating to a specific portfolio transaction, such as the delay between a security transaction trade date and settlement date. Forward contracts are entered into for purposes of hedging portfolio holdings or concentrations of such holdings. Each foreign exchange currency contract is adjusted daily by the prevailing spot or forward rate of the underlying currency, and any appreciation or depreciation is recorded for financial statement purposes as unrealized until the contract settlement date, at which time the Fund records realized gains or losses equal to the difference between the value of a contract at the time it was opened and the value at the time it was closed. The Fund could be exposed to risk if a counterparty is unable to meet the terms of a foreign exchange currency contract or if the value of the foreign currency changes unfavorably. In addition, the use of foreign exchange currency contracts does not eliminate fluctuations in the underlying prices of the securities. As of January 31, 2020, the Fund had no open forward foreign exchange currency contracts.

Investment Transactions and Related Income:

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

Withholding taxes on interest, dividends, and gains as a result of certain investments in ADRs by the Fund have been provided for in accordance with each investment’s applicable country’s tax rules and rates.

Securities Lending:

The Fund, through a securities lending agreement with Citibank, N.A. (“Citibank”), may lend its securities to qualified financial institutions, such as certain broker-dealers, to earn additional income, net of income retained by Citibank. Borrowers are required to secure their loans for collateral in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked-to-market daily. Any collateral shortfalls associated with increases in the valuation of the securities loaned are cured the next business day once the shortfall exceeds \$100 thousand. Collateral may be cash, U.S. government securities, or other securities as permitted by SEC guidelines. Cash collateral may be invested in high-quality short-term investments, primarily open-end investment companies. Collateral requirements are determined daily based on the value of the Fund’s securities on loan as of the end of the prior business day. During the time portfolio securities are on loan, the

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borrower will pay the Fund any dividends or interest paid on such securities plus any fee negotiated between the parties to the lending agreement. The Fund also earns a return from the collateral. The Fund pays Citibank various fees in connection with the investment of cash collateral and fees based on the investment income received from securities lending activities. Securities lending income (net of these fees) is disclosed on the Statement of Operations. Loans are terminable upon demand and the borrower must return the loaned securities within the lesser of one standard settlement period or five business days. Risks relating to securities-lending transactions include that the borrower may not provide additional collateral when required or return the securities when due, and that the value of the short-term investments will be less than the amount of cash collateral required to be returned to the borrower. The Fund's agreement with Citibank does not include master netting provisions. Non-cash collateral received by the Fund may not be sold or re-pledged except to satisfy borrower default. Cash collateral is listed in the Fund's Portfolio of Investments and Financial Statements while non-cash collateral is not included. The following table (amounts in thousands) is a summary of the Fund's securities lending transactions as of January 31, 2020.

<u>Value of Securities on Loan</u>	<u>Non-Cash Collateral</u>	<u>Cash Collateral</u>
\$77,550	\$—	\$82,328

Foreign Currency Translations:

The accounting records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities of the Fund denominated in a foreign currency are translated into U.S. dollars at current exchange rates. Purchases and sales of securities, income receipts, and expense payments are translated into U.S. dollars at the exchange rates on the date of the transactions. The Fund does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are disclosed as net change in unrealized appreciation/depreciation on investments and foreign currency translations on the Statement of Operations. Any realized gains or losses from these fluctuations, including foreign currency arising from in-kind redemptions, are disclosed as net realized gains or losses from investment transactions and foreign currency translations on the Statement of Operations.

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 July 31.

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

Allocations:

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

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

*(Unaudited)***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 January 31, 2020, were as follows for the Fund (amounts in thousands):

<u>Excluding U.S. Government Securities</u>	
<u>Purchases</u>	<u>Sales</u>
\$441,279	\$572,929

There were no purchases and sales of U.S. government securities during the six-months ended January 31, 2020.

4. Affiliated Fund Ownership:

The Fund offers its shares for investment by other USAA funds. The USAA fund-of-funds do not invest in the underlying funds for the purpose of exercising management or control, and the affiliated fund-of-funds' annual and semi-annual reports may be viewed at usaa.com. As of January 31, 2020, certain USAA fund-of-funds owned total outstanding shares of the Fund:

USAA Cornerstone Conservative Fund	0.1%
USAA Cornerstone Equity Fund	0.5%
USAA Target Retirement Income Fund	0.2%
USAA Target Retirement 2020 Fund	0.3%
USAA Target Retirement 2030 Fund	1.1%
USAA Target Retirement 2040 Fund	1.6%
USAA Target Retirement 2050 Fund	1.0%
USAA Target Retirement 2060 Fund	0.1%

5. Fees and Transactions with Affiliates and Related Parties:**Investment Advisory and Management Fees:**

Investment advisory services are provided to the Fund by Victory Capital Management Inc. ("VCM" or "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 0.75% of the Fund's average daily net assets. Amounts incurred and paid to VCM are reflected on the Statement of Operations as Investment Advisory fees.

No performance adjustments will be made for periods beginning July 1, 2019, through June 30, 2020. Only performance beginning as of July 1, 2019, and thereafter will be utilized in calculating future performance adjustments.

The performance adjustment will be calculated monthly by comparing each class' performance to that of the Lipper Small-Cap Core Funds Index. The Lipper Small-Cap Core Funds Index tracks the total return performance of each class within the Lipper Small-Cap Core Funds category.

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The performance period for each share class will consist of the current month plus the previous number of months beginning July 1, 2019. The following table is utilized to determine the extent of the performance adjustment:

Over/Under Performance Relative to Index (in basis points)¹	Annual Adjustment Rate (in basis points)¹
+/- 100 to 400	+/- 4
+/- 401 to 700	+/- 5
+/- 701 and greater	+/- 6

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

Each class' annual performance adjustment rate is multiplied by the average daily net assets of the 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 Small-Cap Core Funds Index over that period, even if the class has overall negative returns during the performance period.

The Trust relies on an exemptive order granted to VCM and its affiliated funds by the SEC in March 2019 permitting the use of a "manager-of-managers" structure for certain funds. Under a manager-of-managers structure, the investment adviser may select (with approval of the Board and without shareholder approval) one or more subadvisers to manage the day-to-day investment of a fund's assets.

VCM has entered into a Subadvisory Agreement with ClariVest Asset Management LLC ("ClariVest"), Granahan Investment Management, Inc. ("GIMI"), and Wellington Management Company LLP ("Wellington Management"), under which ClariVest, GIMI, and Wellington Management each direct the investment and reinvestment of a portion of the Fund's assets (as allocated from time to time by VCM). These arrangements provide for monthly fees that are paid by VCM. VCM (not the Fund) pays the subadviser fees.

Administration and Servicing Fees:

VCM serves as the Fund's administrator and fund accountant. Under the Fund Administration, Servicing and Accounting Agreement, VCM is paid for its services an annual fee at a rate of 0.15% and 0.10% of average daily net assets of the Fund Shares and Institutional Shares, respectively. Amounts incurred are reflected on the Statement of Operations as Administration fees.

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

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

Transfer Agency Fees:

Victory Capital Transfer Agency, Inc. (“VCTA”), provides transfer agency services to the Fund. VCTA, an affiliate of the Adviser, provides transfer agent services to the Fund Shares based on an annual charge of \$23 per shareholder account plus out-of-pocket expenses. VCTA pays a portion of these fees to certain intermediaries for the administration and servicing of accounts that are held with such intermediaries. Transfer agent’s fees for Institutional Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.10% of average daily net assets, plus out-of-pocket expenses. Amounts incurred are reflected on the Statement of Operations as Transfer Agent fees.

FIS Investor Services LLC serves as sub-transfer agent and dividend disbursing agent for the Fund pursuant to a Sub-Transfer Agent Agreement between VCTA and FIS Investor Services LLC. VCTA provides FIS Investor Services LLC a fee for providing these services.

Distributor/Underwriting Services:

Victory Capital Advisers, Inc. (the “Distributor”), an affiliate of the Adviser, serves as distributor for the continuous offering of the shares of the Fund pursuant to a Distribution Agreement between the Distributor and the Trust. The Distributor received no fees or other compensation for such distribution services.

Other Fees:

Citibank, N.A., serves as the Fund’s custodian.

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

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.

The expense limits (excluding voluntary waivers) are 1.10% and 0.98% for Fund Shares and Institutional 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 January 31, 2020, the following amounts are available to be repaid to the Adviser (amounts in thousands). Amounts repaid to the Adviser during the six-months ended January 31, 2020, if any, are reflected on the Statement of Operations as “Expenses waived/reimbursed by Adviser.”

Expires July 31, 2023

\$22

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 January 31, 2020.

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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.

6. Risks:

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

The Fund is subject to small-cap company risk, which is the greater risk of investing in smaller, less well-known companies, as opposed to investing in established companies with proven track records. Small-cap companies also may have limited product lines, markets, or financial resources. Securities of such companies may be less liquid and more volatile than securities of larger companies or the market in general and, therefore, may involve greater risk than investing in the securities of larger companies.

Overall stock market risks may affect the value of the Fund. Factors such as domestic and international economic growth and market conditions, interest rate levels, and political events affect the securities market.

The value of the equity securities in which the Fund invests may decline in response to developments affecting individual companies and/or general economic conditions. A company's earnings or dividends may not increase as expected. Price changes may be temporary or last for extended periods.

7. Borrowing and Interfund Lending:**Line of Credit:**

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

The Fund had no borrowings under the Line of Credit agreement during the six-months ended January 31, 2020.

Interfund Lending:

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

(Unaudited)

The average borrowing and lending for the days outstanding and average interest rate for the Fund during the six-months ended January 31, 2020 were as follows (amounts in thousands):

<u>Borrower or Lender</u>	<u>Amount Outstanding at January 31, 2020</u>	<u>Average Borrowing*</u>	<u>Days Borrowing Outstanding</u>	<u>Average Interest Rate*</u>	<u>Maximum Borrowing During the Period</u>
Borrower	\$—	\$1,689	2	2.56%	\$1,877

* For the six-months ended January 31, 2020, based on the number of days borrowings were outstanding.

8. Federal Income Tax Information:

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

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

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 July 31, 2020.

As of the most recent tax year ended July 31, 2019, the Fund had no capital loss carryforwards for federal income tax purposes.

9. Subsequent Event:

An outbreak of respiratory disease called COVID-19 was first detected in China in December 2019 and subsequently spread internationally. The transmission of COVID-19 and efforts to contain its spread have resulted in international, national and local border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and consumer activity, significant challenges in healthcare service preparation and delivery, and quarantines, as well as general concern and uncertainty that has negatively affected the economic environment and that occurred subsequent to year end may have a significant negative impact on the operations and profitability of the Funds’ investments. These impacts have caused significant volatility and declines in global financial markets, which have caused losses for investors. The impact of the COVID-19 pandemic may be short term or may last for an extended period of time, and in either case could result in a substantial economic downturn or recession. Public health crises may exacerbate other pre-existing political, social, economic, market and financial risks. The extent of the impact to the financial performance of the Funds’ investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted.

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 August 1, 2019 through January 31, 2020.

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 8/1/19	Actual Ending Account Value 1/31/20	Hypothetical Ending Account Value 1/31/20	Actual Expenses Paid During Period 8/1/19- 1/31/20*	Hypothetical Expenses Paid During Period 8/1/19- 1/31/20*	Annualized Expense Ratio During Period 8/1/19- 1/31/20
Fund Shares	\$1,000.00	\$1,049.60	\$1,019.66	\$5.62	\$5.53	1.09%
Institutional Shares	1,000.00	1,050.00	1,020.21	5.05	4.98	0.98%

* Expenses are equal to the average account value multiplied by the Fund's annualized expense ratio multiplied by 184/366 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

Proxy Voting and Portfolio Holdings Information

Proxy Voting:

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

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.

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. Forms N-PORT are available on the SEC's web site at www.sec.gov.

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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