



MUTUAL FUNDS

June 30, 2019

Semiannual Report

USAA Global Managed Volatility Fund

**Fund
Shares**
UGMVX

**Institutional
Shares**
UGOFX

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

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

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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 USAA Asset Management Company. It may be used as sales literature only when preceded or accompanied by a current prospectus, which provides further details about the Fund.

IRA DISTRIBUTION WITHHOLDING DISCLOSURE

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

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

For more specific information, please consult your tax adviser.

INVESTMENT OVERVIEW

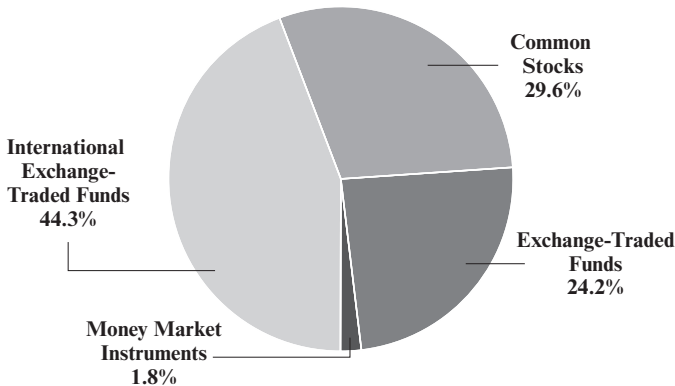
■ TOP 10 HOLDINGS* – 6/30/19 ■

(% of Net Assets)

iShares Edge MSCI Min Vol EAFE ETF	13.7%
iShares Edge MSCI Min Vol USA ETF	6.8%
Vanguard FTSE Developed Markets ETF	5.8%
iShares Core S&P 500 ETF	5.3%
iShares Edge MSCI Min Vol Emerging Markets ETF	4.3%
Schwab Fundamental International Large Company Index ETF	4.1%
Invesco FTSE RAFI Developed Markets ex-US ETF	3.4%
iShares Core MSCI EAFE ETF	3.4%
iShares Edge MSCI USA Quality Factor ETF	3.0%
Schwab Fundamental Emerging Markets Large Company Index ETF	2.8%

■ ASSET ALLOCATION* – 6/30/19 ■

(% of Net Assets)



*Does not include purchased options, written options and short-term investments purchased with cash collateral from securities loaned.

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

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

SHAREHOLDER VOTING RESULTS

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

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

PROPOSAL 1

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

Number of shares voting		
For	Against	Abstain
97,759,041	44,103	26,546

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).

Trustees	Number of shares voting	
	For	Votes Withheld
David C. Brown	8,299,565,565	820,887,736
John C. Walters	8,317,935,885	802,517,416

PORTFOLIO OF INVESTMENTS

June 30, 2019 (unaudited)

Number of Shares	Security	Market Value (000)
EQUITY SECURITIES (98.1%)		
COMMON STOCKS (29.6%)		
<u>Basic Materials (0.8%)</u>		
Chemicals (0.6%)		
12,990	Air Products & Chemicals, Inc.	\$ 2,941
5,070	Celanese Corp.	546
4,250	Ecolab, Inc.	839
4,920	LyondellBasell Industries N.V. "A"	424
13,140	PPG Industries, Inc.	1,534
		<u>6,284</u>
Forest Products & Paper (0.0%)		
17,180	International Paper Co.	744
Iron/Steel (0.2%)		
28,750	Nucor Corp.	1,584
9,360	Steel Dynamics, Inc.	283
		<u>1,867</u>
	Total Basic Materials	<u>8,895</u>
<u>Communications (3.1%)</u>		
Advertising (0.4%)		
49,697	Interpublic Group of Companies, Inc.	1,123
33,910	Omnicom Group, Inc.	2,779
		<u>3,902</u>
Internet (0.2%)		
340	Alphabet, Inc. "A" ^(a)	368
2,900	CDW Corp.	322
10,050	eBay, Inc.	397
6,170	F5 Networks, Inc. ^(a)	898
2,130	Facebook, Inc. "A" ^(a)	411
1,750	IAC/InterActiveCorp. ^(a)	381
		<u>2,777</u>

Number of Shares	Security	Market Value (000)
Media (0.9%)		
39,470	Altice USA, Inc. "A" ^(a)	\$ 961
32,680	CBS Corp. "B"	1,631
44,550	Comcast Corp. "A"	1,883
13,450	Discovery, Inc. "A" ^(a)	413
20,690	DISH Network Corp. "A" ^(a)	795
57,390	Sirius XM Holdings, Inc.	320
28,690	Viacom, Inc. "B"	857
17,060	Walt Disney Co.	2,382
		<u>9,242</u>
Telecommunications (1.6%)		
35,238	AT&T, Inc.	1,181
76,130	Cisco Systems, Inc.	4,167
32,680	Corning, Inc.	1,086
62,920	Juniper Networks, Inc.	1,675
27,690	T-Mobile US, Inc. ^(a)	2,053
118,100	Verizon Communications, Inc.	6,747
		<u>16,909</u>
	Total Communications	<u>32,830</u>
Consumer, Cyclical (3.5%)		
Airlines (0.2%)		
18,510	Delta Air Lines, Inc.	1,050
13,160	Southwest Airlines Co.	668
4,440	United Airlines Holdings, Inc. ^(a)	389
		<u>2,107</u>
Apparel (0.2%)		
18,950	Hanesbrands, Inc.	326
8,360	NIKE, Inc. "B"	702
5,250	Ralph Lauren Corp.	597
		<u>1,625</u>
Auto Manufacturers (0.1%)		
20,830	General Motors Co.	803
5,490	PACCAR, Inc.	393
		<u>1,196</u>
Auto Parts & Equipment (0.1%)		
5,160	Autoliv, Inc.	364
8,630	BorgWarner, Inc.	362

Number of Shares	Security	Market Value (000)
2,820	Lear Corp.	\$ 393
2,800	WABCO Holdings, Inc. ^(a)	371
		<u>1,490</u>
	Distribution/Wholesale (0.1%)	
18,480	Fastenal Co.	602
11,870	HD Supply Holdings, Inc. ^(a)	478
1,030	WW Grainger, Inc.	277
		<u>1,357</u>
	Entertainment (0.1%)	
11,240	Live Nation Entertainment, Inc. ^(a)	745
	Home Builders (0.2%)	
19,7070	DR Horton, Inc.	853
250	NVR, Inc. ^(a)	842
7,650	PulteGroup, Inc.	242
		<u>1,937</u>
	Home Furnishings (0.1%)	
25,220	Leggett & Platt, Inc.	968
	Leisure Time (0.2%)	
15,320	Carnival Corp.	713
13,610	Harley-Davidson, Inc.	488
14,960	Norwegian Cruise Line Holdings Ltd. ^(a)	802
		<u>2,003</u>
	Lodging (0.2%)	
7,980	Hilton Worldwide Holdings, Inc.	780
5,940	Las Vegas Sands Corp.	351
8,820	Marriott International, Inc. "A"	1,237
		<u>2,368</u>
	Retail (1.9%)	
12,829	Best Buy Co., Inc.	895
6,714	Darden Restaurants, Inc.	817
16,380	Dollar General Corp.	2,214
19,880	Gap, Inc.	357
24,900	Genuine Parts Co.	2,579
3,070	Home Depot, Inc.	639
16,560	Kohl's Corp.	787
9,480	Lowe's Companies, Inc.	957
1,920	Lululemon Athletica, Inc. ^(a)	346
15,760	Macy's, Inc.	338
2,520	McDonald's Corp.	523

Number of Shares	Security	Market Value (000)
20,930	Nordstrom, Inc. ^(b)	\$ 667
1,300	O'Reilly Automotive, Inc. ^(a)	480
31,830	Qurate Retail, Inc. ^(a)	394
14,010	Ross Stores, Inc.	1,389
9,720	Starbucks Corp.	815
8,957	Target Corp.	776
41,450	TJX Companies, Inc.	2,192
9,750	Tractor Supply Co.	1,061
1,410	Ulta Salon Cosmetics & Fragrance, Inc. ^(a)	489
12,080	Walgreens Boots Alliance, Inc.	660
9,630	Walmart, Inc.	1,064
		<u>20,439</u>
	Textiles (0.1%)	
3,610	Mohawk Industries, Inc. ^(a)	532
	Total Consumer, Cyclical	<u>36,767</u>
	<u>Consumer, Non-cyclical (6.9%)</u>	
	Agriculture (0.2%)	
42,330	Altria Group, Inc.	2,004
	Beverages (1.0%)	
90,100	Coca-Cola Co.	4,588
12,440	Molson Coors Brewing Co. "B"	697
36,050	PepsiCo, Inc.	4,727
		<u>10,012</u>
	Biotechnology (0.5%)	
9,442	Amgen, Inc.	1,740
3,220	Biogen, Inc. ^(a)	753
7,010	Celgene Corp. ^(a)	648
17,475	Gilead Sciences, Inc.	1,180
9,040	United Therapeutics Corp. ^(a)	706
		<u>5,027</u>
	Commercial Services (0.8%)	
14,970	Automatic Data Processing, Inc.	2,475
14,780	H&R Block, Inc.	433
3,970	Moody's Corp.	775
5,620	PayPal Holdings, Inc. ^(a)	643
5,620	Robert Half International, Inc.	321
5,220	S&P Global, Inc.	1,189
19,918	Total System Services, Inc.	2,555
3,510	United Rentals, Inc. ^(a)	466
		<u>8,857</u>

Number of Shares	Security	Market Value (000)
Cosmetics/Personal Care (0.5%)		
3,100	Estee Lauder Companies, Inc. "A"	\$ 568
45,288	Procter & Gamble Co.	4,966
		<u>5,534</u>
Food (0.9%)		
9,900	Campbell Soup Co.	397
19,200	General Mills, Inc.	1,008
20,600	Hershey Co.	2,761
4,460	Ingredion, Inc.	368
10,900	JM Smucker Co.	1,256
26,490	Kroger Co.	575
20,360	Sysco Corp.	1,440
22,399	Tyson Foods, Inc. "A"	1,808
		<u>9,613</u>
Healthcare Products (0.5%)		
22,540	Baxter International, Inc.	1,846
5,490	Danaher Corp.	785
1,560	Edwards Lifesciences Corp. ^(a)	288
5,530	Henry Schein, Inc. ^(a)	386
1,950	IDEXX Laboratories, Inc. ^(a)	537
9,200	Medtronic plc	896
2,510	Thermo Fisher Scientific, Inc.	737
		<u>5,475</u>
Healthcare-Services (0.6%)		
1,422	Anthem, Inc.	401
11,320	DaVita, Inc. ^(a)	637
9,046	HCA Healthcare, Inc.	1,223
2,591	Laboratory Corp. of America Holdings ^(a)	448
5,130	Quest Diagnostics, Inc.	522
6,840	UnitedHealth Group, Inc.	1,669
12,640	Universal Health Services, Inc. "B"	1,648
		<u>6,548</u>
Household Products/Wares (0.3%)		
3,900	Avery Dennison Corp.	451
17,730	Church & Dwight Co., Inc.	1,296
9,020	Clorox Co.	1,381
		<u>3,128</u>
Pharmaceuticals (1.6%)		
12,600	AmerisourceBergen Corp.	1,074
6,560	Bristol-Myers Squibb Co.	297

Number of Shares	Security	Market Value (000)
11,240	Cardinal Health, Inc.	\$ 529
2,377	Cigna Corp. ^(a)	375
8,390	CVS Health Corp.	457
14,590	Eli Lilly & Co.	1,616
2,650	Jazz Pharmaceuticals plc ^(a)	378
22,470	Johnson & Johnson	3,130
4,220	McKesson Corp.	567
51,470	Merck & Co., Inc.	4,316
58,700	Pfizer, Inc.	2,543
17,840	Zoetis, Inc.	2,025
		<u>17,307</u>
	Total Consumer, Non-cyclical	<u>73,505</u>
	Energy (1.5%)	
	Oil & Gas (1.2%)	
17,214	Chevron Corp.	2,142
44,450	ConocoPhillips	2,712
33,400	Exxon Mobil Corp.	2,559
12,180	HollyFrontier Corp.	564
16,130	Marathon Petroleum Corp.	901
22,350	Occidental Petroleum Corp.	1,124
13,920	Phillips 66	1,302
14,950	Valero Energy Corp.	1,280
		<u>12,584</u>
	Pipelines (0.3%)	
33,810	Kinder Morgan, Inc.	706
17,880	ONEOK, Inc.	1,230
40,720	Plains GP Holdings, LP ^{“(A)”}	1,017
		<u>2,953</u>
	Total Energy	<u>15,537</u>
	Financial (6.4%)	
	Banks (1.5%)	
38,880	Bank of America Corp.	1,127
22,450	Bank of New York Mellon Corp.	991
42,700	BB&T Corp.	2,098
9,570	CIT Group, Inc.	503
27,120	Citigroup, Inc.	1,899
44,690	Fifth Third Bancorp	1,247
121,480	Huntington Bancshares, Inc.	1,679
18,930	J.P. Morgan Chase & Co.	2,116
20,440	KeyCorp.	363

Number of Shares	Security	Market Value (000)
3,930	Northern Trust Corp.	\$ 354
13,110	PNC Financial Services Group, Inc.	1,800
43,850	Regions Financial Corp.	655
11,840	U.S. Bancorp.	620
17,330	Zions Bancorp	797
		<u>16,249</u>
	Diversified Financial Services (1.2%)	
4,120	Alliance Data Systems Corp.	577
38,390	Ally Financial, Inc.	1,190
12,020	American Express Co.	1,484
5,450	Capital One Financial Corp.	494
4,840	Discover Financial Services	376
11,670	Franklin Resources, Inc.	406
4,870	Mastercard, Inc. "A"	1,288
18,750	SEI Investments Co.	1,052
40,000	Synchrony Financial	1,387
11,130	Visa, Inc. "A"	1,932
124,410	Western Union Co.	2,474
		<u>12,660</u>
	Insurance (1.9%)	
51,372	Aflac, Inc.	2,816
18,357	Allstate Corp.	1,867
3,560	Aon plc	687
72,420	Arch Capital Group Ltd. ^(a)	2,685
1,550	Berkshire Hathaway, Inc. "B" ^(a)	330
29,300	Fidelity National Financial, Inc.	1,181
48,289	Loews Corp.	2,640
8,680	MetLife, Inc.	431
7,360	Principal Financial Group, Inc.	426
25,280	Progressive Corp.	2,021
3,820	Prudential Financial, Inc.	386
7,854	Reinsurance Group of America, Inc.	1,225
27,620	Torchmark Corp.	2,471
6,617	Travelers Companies, Inc.	989
		<u>20,155</u>
	Real Estate (0.1%)	
18,500	CBRE Group, Inc. "A" ^(a)	949
3,360	Jones Lang LaSalle, Inc.	473
		<u>1,422</u>

Number of Shares	Security	Market Value (000)
REITS (1.7%)		
8,060	American Tower Corp.	\$ 1,648
12,360	AvalonBay Communities, Inc.	2,511
5,180	Boston Properties, Inc.	668
26,460	Equity Residential	2,009
5,860	Extra Space Storage, Inc.	622
16,800	HCP, Inc.	537
28,090	Kimco Realty Corp.	519
31,783	Liberty Property Trust	1,591
5,710	Public Storage	1,360
7,910	Simon Property Group, Inc.	1,264
54,070	UDR, Inc.	2,427
12,450	Ventas, Inc.	851
162,050	VEREIT, Inc.	1,460
4,700	Welltower, Inc.	383
		<u>17,850</u>
	Total Financial	<u>68,336</u>
Industrial (1.8%)		
Aerospace/Defense (0.4%)		
1,610	Boeing Co.	586
7,310	Lockheed Martin Corp.	2,657
11,940	Spirit AeroSystems Holdings, Inc. "A"	972
		<u>4,215</u>
Building Materials (0.1%)		
10,340	Owens Corning	602
Electronics (0.6%)		
8,640	Allegion plc	955
12,020	Amphenol Corp. "A"	1,153
6,670	Arrow Electronics, Inc. ^(a)	475
11,570	Garmin Ltd.	923
5,430	Honeywell International, Inc.	948
710	Mettler-Toledo International, Inc. ^(a)	597
8,640	TE Connectivity Ltd.	828
1,980	Waters Corp. ^(a)	426
		<u>6,305</u>
Environmental Control (0.1%)		
12,627	Waste Management, Inc.	1,457
Machinery-Construction & Mining (0.0%)		
4,310	Caterpillar, Inc.	587

Number of Shares	Security	Market Value (000)
Miscellaneous Manufacturers (0.2%)		
4,080	3M Co.	\$ 707
4,220	Illinois Tool Works, Inc.	637
3,090	Ingersoll-Rand plc	391
		<u>1,735</u>
Shipbuilding (0.1%)		
3,902	Huntington Ingalls Industries, Inc.	<u>877</u>
Transportation (0.3%)		
3,920	CH Robinson Worldwide, Inc.	331
6,450	CSX Corp.	499
5,110	Expeditors International of Washington, Inc.	388
2,820	Norfolk Southern Corp.	562
3,190	Union Pacific Corp.	539
6,910	United Parcel Service, Inc. "B"	714
		<u>3,033</u>
	Total Industrial	<u>18,811</u>
Technology (3.8%)		
Computers (1.0%)		
13,720	Accenture plc "A"	2,535
9,290	Apple, Inc.	1,839
21,370	Cognizant Technology Solutions Corp. "A"	1,355
46,700	Hewlett Packard Enterprise Co.	698
11,120	International Business Machines Corp.	1,533
11,620	Leidos Holdings, Inc.	928
5,610	NetApp, Inc.	346
18,910	Seagate Technology plc	891
12,810	Western Digital Corp.	609
		<u>10,734</u>
Office/Business Equipment (0.1%)		
17,190	Xerox Corp.	<u>609</u>
Semiconductors (0.7%)		
8,390	Applied Materials, Inc.	377
25,400	Intel Corp.	1,216
3,400	KLA-Tencor Corp.	402
2,730	Lam Research Corp.	513
7,220	Maxim Integrated Products, Inc.	432
22,170	Micron Technology, Inc. ^o	855
3,050	NVIDIA Corp.	501
7,440	QUALCOMM, Inc.	566
4,250	Skyworks Solutions, Inc.	328

Number of Shares	Security	Market Value (000)
14,720	Texas Instruments, Inc.	\$ 1,689
5,520	Xilinx, Inc.	651
		<u>7,530</u>
	Software (2.0%)	
1,680	Adobe, Inc. ^(a)	495
15,520	Cadence Design Systems, Inc. ^(a)	1,099
5,450	Cerner Corp.	399
1,492	Covetrus, Inc. ^(a)	37
5,230	Electronic Arts, Inc. ^(a)	530
20,200	Fiserv, Inc. ^(a)	1,841
7,910	Intuit, Inc.	2,067
14,920	Jack Henry & Associates, Inc.	1,998
34,310	Microsoft Corp.	4,596
2,490	MSCI, Inc.	595
7,050	Oracle Corp.	402
38,100	Paychex, Inc.	3,135
13,800	Red Hat, Inc. ^(a)	2,591
4,610	Veeva Systems, Inc. "A" ^(a)	747
5,060	VMware, Inc. "A"	846
		<u>21,378</u>
	Total Technology	<u>40,251</u>
	Utilities (1.8%)	
	Electric (1.8%)	
46,730	AES Corp.	783
33,550	Ameren Corp.	2,520
11,750	American Electric Power Co., Inc.	1,034
37,880	CMS Energy Corp.	2,194
2,730	Dominion Energy, Inc.	211
17,970	DTE Energy Co.	2,298
17,920	Duke Energy Corp.	1,581
42,320	Exelon Corp.	2,029
2,690	NextEra Energy, Inc.	551
19,845	Pinnacle West Capital Corp.	1,867
13,760	PPL Corp.	427
32,260	Southern Co.	1,783
19,280	WEC Energy Group, Inc.	1,608
	Total Utilities	<u>18,886</u>
	Total Common Stocks (cost: \$286,982)	<u>313,818</u>
	EXCHANGE-TRADED FUNDS (24.2%)	
75,000	Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF	4,408
67,410	Invesco FTSE RAFI U.S. 1000 ETF	7,863

Number of Shares	Security	Market Value (000)
189,230	iShares Core S&P 500 ETF	\$ 55,776
1,163,700	iShares Edge MSCI Min Vol USA ETF ^(b)	71,835
185,450	iShares Edge MSCI USA Momentum Factor ETF	21,994
349,830	iShares Edge MSCI USA Quality Factor ETF	31,999
325,000	iShares Edge MSCI USA Size Factor ETF	29,575
115,100	iShares Edge MSCI USA Value Factor ETF	9,345
586,430	Schwab Fundamental U.S. Large Co. Index ETF ^(b)	22,935
	Total Exchange-Traded Funds (cost: \$220,434)	<u>255,730</u>
INTERNATIONAL EXCHANGE-TRADED FUNDS (44.3%)		
72,200	Goldman Sachs ActiveBeta Emerging Markets Equity ETF	2,373
120,000	Goldman Sachs ActiveBeta International Equity ETF	3,442
883,218	Invesco FTSE RAFI Developed Markets ex-US ETF ^(b)	35,885
1,017,200	Invesco FTSE RAFI Emerging Markets ETF	21,972
580,100	iShares Core MSCI EAFE ETF	35,618
274,800	iShares Core MSCI Emerging Markets ETF	14,136
1,996,200	iShares Edge MSCI Min Vol EAFE ETF	145,004
769,300	iShares Edge MSCI Min Vol Emerging Markets ETF	45,281
60,700	JPMorgan Diversified Return Emerging Markets Equity ETF	3,376
1,045,700	Schwab Fundamental Emerging Markets Large Company Index ETF	30,053
1,572,900	Schwab Fundamental International Large Company Index ETF ^(b)	43,821
638,100	Schwab Fundamental International Small Company Index ETF	19,922
54,300	USAA MSCI Emerging Markets Value Momentum Blend Index ETF ^(c)	2,428
53,100	USAA MSCI International Value Momentum Blend Index ETF ^(c)	2,402
1,466,010	Vanguard FTSE Developed Markets ETF	61,147
48,000	Vanguard FTSE Emerging Markets ETF	2,041
	Total International Exchange-Traded Funds (cost: \$442,002)	<u>468,901</u>
	Total Equity Securities (cost: \$949,418)	<u>1,038,449</u>
MONEY MARKET INSTRUMENTS (1.8%)		
GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (1.8%)		
18,586,748	State Street Institutional Treasury Money Market Fund Premier Class, 2.17% ^(d) (cost: \$18,587)	<u>18,587</u>
SHORT-TERM INVESTMENT PURCHASED WITH CASH COLLATERAL FROM SECURITIES LOANED (0.3%)		
GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (0.3%)		
3,699,150	HSBC U.S. Government Money Market Fund Class 1, 2.27% ^(d) (cost: \$3,699)	<u>3,699</u>
	Total Investments (cost: \$971,704)	<u>\$1,060,735</u>

Number of Contracts	Description	Exercise Price	Expiration Date	Notional Amount (000)	Market Value (000)
PURCHASED OPTIONS (0.1%)					
34	Put - S&P 500 Index	\$2,600	9/20/2019	USD 10,002	\$ 50
54	Put - S&P 500 Index	2,600	12/20/2019	USD 15,885	203
100	Put - S&P 500 Index	2,550	12/20/2019	USD 29,418	318
90	Put - S&P 500 Index	2,575	1/17/2020	USD 26,476	362
Total Purchased Options (cost: \$1,505)					\$933

VALUATION HIERARCHY				
(\$ in 000s)				
Assets	LEVEL 1	LEVEL 2	LEVEL 3	Total
Equity Securities:				
Common Stocks	\$ 313,818	\$-	\$-	\$ 313,818
Exchange-Traded Funds	255,730	-	-	255,730
International Exchange-Traded Funds	468,901	-	-	468,901
Money Market Instruments:				
Government & U.S. Treasury Money Market Funds	18,587	-	-	18,587
Short-Term Investment Purchased with Cash Collateral from Securities Loaned:				
Government & U.S. Treasury Money Market Funds	3,699	-	-	3,699
Options:				
Put Options Purchased	933	-	-	933
Total	\$1,061,668	\$-	\$-	\$1,061,668

Refer to the Portfolio of Investments for additional industry, country, or geographic region classifications.

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

At June 30, 2019, the Fund did not have any transfers into/out of Level 3.

NOTES TO PORTFOLIO OF INVESTMENTS

June 30, 2019 (unaudited)

■ GENERAL NOTES

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

The Portfolio of Investments category percentages shown represent the percentages of the investments to net assets, and, in total, may not equal 100%. A category percentage of 0.0% represents less than 0.1% of net assets. Investments in foreign securities were 44.4% of net assets at June 30, 2019.

The Fund may rely on certain Securities and Exchange Commission (SEC) exemptive orders or rules that permit funds meeting various conditions to invest in an exchange-traded fund (ETF) in amounts exceeding limits set forth in the Investment Company Act of 1940, as amended, that would otherwise be applicable.

■ PORTFOLIO ABBREVIATIONS AND DESCRIPTIONS

REITS Real estate investment trusts – Dividend distributions from REITS may be recorded as income and later characterized by the REIT at the end of the fiscal year as capital gains or a return of capital. Thus, the Fund will estimate the components of distributions from these securities and revise when actual distributions are known.

■ SPECIFIC NOTES

(a) Non-income-producing security.

(b) The security, or a portion thereof, was out on loan as of June 30, 2019.

(c) Investment in affiliated exchange-traded fund.

(d) Rate represents the money market fund annualized seven-day yield at June 30, 2019.

See accompanying notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

(IN THOUSANDS)

June 30, 2019 (unaudited)

ASSETS

Investments in securities, at market value (including securities on loan of \$3,618) (cost of \$966,041)	\$1,055,905
Investments in affiliated underlying funds, at market value (cost of \$5,663)	4,830
Purchased options, at market value (cost of \$1,505)	933
Cash	4
Cash denominated in foreign currencies (identified cost of \$7)	7
Receivables:	
Capital shares sold	11
USAA Asset Management Company (Note 7)	80
Dividends and interest	1,273
Other	5
Total assets	<u>1,063,048</u>

LIABILITIES

Payables:	
Upon return of securities loaned	3,699
Accrued management fees	513
Accrued transfer agent's fees	1
Other accrued expenses and payables	80
Total liabilities	<u>4,293</u>
Net assets applicable to capital shares outstanding	<u>\$1,058,755</u>

NET ASSETS CONSIST OF:

Paid-in capital	\$ 958,044
Distributable earnings	100,711
Net assets applicable to capital shares outstanding	<u>\$1,058,755</u>
Net asset value, redemption price, and offering price per share:	
Fund Shares (net assets of \$11,410/1,067 capital shares outstanding, no par value)	<u>\$ 10.69</u>
Institutional Shares (net assets of \$1,047,345/96,797 capital shares outstanding, no par value)	<u>\$ 10.82</u>

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

(IN THOUSANDS)

Six-month period ended June 30, 2019 (unaudited)

INVESTMENT INCOME

Dividends from affiliated investments	\$ 44
Dividends from unaffiliated investments	12,445
Interest	520
Securities lending (net)	156
Total income	<u>13,165</u>

EXPENSES

Management fees	3,033
Administration and servicing fees:	
Fund Shares	8
Institutional Shares	250
Transfer agent's fees:	
Fund Shares	8
Institutional Shares	250
Custody and accounting fees:	
Fund Shares	2
Institutional Shares	104
Postage:	
Fund Shares	1
Shareholder reporting fees:	
Fund Shares	3
Institutional Shares	1
Trustees' fees	17
Registration fees:	
Fund Shares	20
Institutional Shares	20
Professional fees	57
Other	10
Total expenses	<u>3,784</u>
Expenses reimbursed:	
Fund Shares	(27)
Institutional Shares	(213)
Net expenses	<u>3,544</u>
NET INVESTMENT INCOME	<u>9,621</u>

**NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS,
FOREIGN CURRENCY, OPTIONS, AND FUTURES CONTRACTS**

Net realized gain (loss) on:	
Investments	\$ 762
Foreign currency transactions	(6)
Options	(1,514)
Futures transactions	3,821
Change in net unrealized appreciation/(depreciation) of:	
Unaffiliated investments	116,807
Affiliated investments (Note 9)	319
Foreign currency translations	3
Options	(1,704)
Futures contracts	2,236
Net realized and unrealized gain	<u>120,724</u>
Increase in net assets resulting from operations	<u>\$130,345</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS (IN THOUSANDS)

Six-month period ended June 30, 2019 (unaudited), and year ended December 31, 2018

	6/30/2019	12/31/2018
FROM OPERATIONS		
Net investment income	\$ 9,621	\$ 16,607
Net realized gain on investments	762	17,240
Net realized gain (loss) on foreign currency transactions	(6)	140
Net realized loss on options	(1,514)	(422)
Net realized gain (loss) on futures transactions	3,821	(6,512)
Change in net unrealized appreciation/(depreciation) of:		
Investments	117,126	(116,766)
Options	(1,704)	1,533
Foreign currency translations	3	(11)
Futures contracts	2,236	(2,199)
Increase (decrease) in net assets resulting from operations	130,345	(90,390)
DISTRIBUTIONS TO SHAREHOLDERS FROM DISTRIBUTABLE EARNINGS:		
Fund Shares	–	(443)
Institutional Shares	–	(39,886)
Distributions to shareholders	–	(40,329)
NET INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS (NOTE 6)		
Fund Shares	(227)	424
Institutional Shares	(3,802)	227,261
Total net increase (decrease) in net assets from capital share transactions	(4,029)	227,685
Net increase in net assets	126,316	96,966
NET ASSETS		
Beginning of period	932,439	835,473
End of period	\$1,058,755	\$ 932,439

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 (unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USAA MUTUAL FUNDS TRUST (the Trust), registered under the Investment Company Act of 1940, as amended (the 1940 Act), is an open-end management investment company organized as a Delaware statutory trust consisting of 47 separate funds. The USAA Global Managed Volatility Fund (the Fund) qualifies as a registered investment company under Accounting Standards Codification Topic 946. The information presented in this semiannual report pertains only to the Fund, which is classified as diversified under the 1940 Act. The Fund's investment objective is to seek to attain long-term capital appreciation while attempting to reduce volatility during unfavorable market conditions.

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

time to time, or for purchase by a USAA fund participating in a fund-of-funds investment strategy (USAA fund-of-funds).

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

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

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

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

1. Equity securities, including exchange-traded funds (ETFs), except as otherwise noted, traded primarily on a domestic securities exchange or the over-the-counter markets, are valued at the last sales price or official closing price on the exchange or primary market on which they

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

2. Equity securities trading in various foreign markets may take place on days when the NYSE is closed. Further, when the NYSE is open, the foreign markets may be closed. Therefore, the calculation of the Fund's net asset value (NAV) may not take place at the same time the prices of certain foreign securities held by the Fund are determined. In many cases, events affecting the values of foreign securities that occur between the time of their last quoted sale or official closing price and the close of normal trading on the NYSE on a day the Fund's NAV is calculated will not need to be reflected in the value of the Fund's foreign securities. However, the Manager will monitor for events that would materially affect the value of the Fund's foreign securities and the Committee will consider such available information that it deems relevant and will determine a fair value for the affected foreign securities in accordance with valuation procedures. In addition, information from an external vendor or other sources may be used to adjust the foreign market closing prices of foreign equity securities to reflect what the Committee believes to be the fair value of the securities as of the close of the NYSE. Fair valuation of affected foreign equity securities may occur frequently based on an assessment that events which occur on a fairly regular basis (such as U.S. market movements) are significant. Such securities are categorized in Level 2 of the fair value hierarchy.
3. Investments in open-end investment companies, commingled, or other funds, other than ETFs, are valued at their NAV at the end of each business day and are categorized in Level 1 of the fair value hierarchy.

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4. Short-term debt securities with original or remaining maturities of 60 days or less may be valued at amortized cost, provided that amortized cost represents the fair value of such securities.
 5. Debt securities with maturities greater than 60 days are valued each business day by a pricing service (the Service) approved by the Board. The Service uses an evaluated mean between quoted bid and ask prices or the last sales price to value a security when, in the Service's judgment, these prices are readily available and are representative of the security's market value. For many securities, such prices are not readily available. The Service generally prices those securities based on methods which include consideration of yields or prices of securities of comparable quality, coupon, maturity, and type; indications as to values from dealers in securities; and general market conditions. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.
 6. Repurchase agreements are valued at cost.
 7. Futures are valued at the settlement price at the close of market on the principal exchange on which they are traded or, in the absence of any transactions that day, the settlement price on the prior trading date if it is within the spread between the closing bid and ask price closest to the last reported sale price.
 8. Options are valued by a pricing service at the National Best Bid/Offer (NBBO) composite price, which is derived from the best available bid and ask price in all participating options exchanges determined to most closely reflect market value of the options at the time of computation of the Fund's NAV.
 9. In the event that price quotations or valuations are not readily available, are not reflective of market value, or a significant event has been recognized in relation to a security or class of securities, the securities are valued in good faith by the Committee in accordance with valuation procedures approved by the Board. The effect of fair value pricing is that securities may not be priced on the basis of

quotations from the primary market in which they are traded and the actual price realized from the sale of a security may differ materially from the fair value price. Valuing these securities at fair value is intended to cause the Fund's NAV to be more reliable than it otherwise would be.

Fair value methods used by the Manager include, but are not limited to, obtaining market quotations from secondary pricing services, broker-dealers, other pricing services, or widely used quotation systems. General factors considered in determining the fair value of securities include fundamental analytical data, the nature and duration of any restrictions on disposition of the securities, evaluation of credit quality, and an evaluation of the forces that influenced the market in which the securities are purchased and sold.

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

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

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

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

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

- C. **Derivative instruments and hedging activities** – The Fund may buy, sell, and enter into certain types of derivatives, including, but not limited to, futures

contracts, options, and options on futures contracts, under circumstances in which such instruments are expected by the portfolio manager to aid in achieving the Fund's investment objective. The Fund also may use derivatives in circumstances where the portfolio manager believes they offer an economical means of gaining exposure to a particular asset class or securities market or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market. With exchange-listed futures contracts and options, counterparty credit risk to the Fund is limited to the exchange's clearinghouse which, as counterparty to all exchange-traded futures contracts and options, guarantees the transactions against default from the actual counterparty to the transaction. The Fund's derivative agreements held at June 30, 2019, did not include master netting provisions.

Futures contracts – The Fund is subject to equity price risk, interest rate risk, and foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund may use futures contracts to gain exposure to, or hedge against, changes in the value of equities, interest rates, or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. Upon entering into such contracts, the Fund is required to deposit with the broker in either cash or securities an initial margin in an amount equal to a certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Upon entering into such contracts, the Fund bears the risk of interest or exchange rates or securities prices moving unexpectedly in an unfavorable direction, in which case, the Fund may not achieve the anticipated benefits of the futures contracts.

Options transactions – The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund may use options on underlying instruments, namely, equity securities, ETFs, and

equity indexes, to gain exposure to, or hedge against, changes in the value of equity securities, ETFs, or equity indexes. A call option gives the purchaser the right to buy, and the writer the obligation to sell, the underlying instrument at a specified price during a specified period. Conversely, a put option gives the purchaser the right to sell, and the writer the obligation to buy, the underlying instrument at a specified price during a specified period. The purchaser of the option pays a premium to the writer of the option.

Premiums paid for purchased options are included in the Fund's Statement of Assets and Liabilities as an investment. If a purchased option expires unexercised, the premium paid is recognized as a realized loss. If a purchased call option on a security is exercised, the cost of the security acquired includes the exercise price and the premium paid. If a purchased put option on a security is exercised, the realized gain or loss on the security sold is determined from the exercise price, the original cost of the security, and the premium paid. The risk associated with purchasing a call or put option is limited to the premium paid.

Premiums received from writing options are included in the Fund's Statement of Assets and Liabilities as a liability. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option on a security is exercised, the realized gain or loss on the security sold is determined from the exercise price, the original cost of the security, and the premium received. If a written put option on a security is exercised, the cost of the security acquired is the exercise price paid less the premium received. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

In an attempt to reduce the Fund's volatility over time, the Fund may implement a strategy that involves purchasing and selling options on indexes or ETFs that represent the Fund's exposure against a highly correlated stock portfolio. The combination of the diversified stock portfolio with index or ETF options is designed to provide the Fund with consistent returns over a wide range of equity market environments. This strategy may not fully protect the Fund against declines in the portfolio's

value, and the Fund could experience a loss. Options on ETFs are similar to options on individual securities in that the holder of the ETF call (or put) has the right to receive (or sell) shares of the underlying ETF at the strike price on or before exercise date. Options on securities indexes are different from options on individual securities in that the holder of the index option has the right to receive an amount of cash equal to the difference between the exercise price and the settlement value of the underlying index as defined by the exchange. If an index option is exercised, the realized gain or loss is determined by the exercise price, the settlement value, and the premium amount paid or received.

Fair Values of Derivative Instruments as of June 30, 2019*
(in thousands)

Asset Derivatives					
Derivatives not accounted for as hedging instruments	Statement of Assets and Liabilities Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Global Managed Volatility Fund	Purchased options, at market value	\$-	\$933**	\$-	\$933

*For open derivative instruments as of June 30, 2019, see the Portfolio of Investments.

**Includes cumulative appreciation/(depreciation) of futures as reported on the Portfolio of Investments. Only the variation margin from the last business day of the reporting period is reported within the Statement of Assets and Liabilities.

The Effect of Derivative Instruments on the Statement of Operations for the six-month period ended June 30, 2019 (in thousands)

Net Realized Gain (Loss)					
Derivatives not accounted for as hedging instruments	Statement of Operations Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Global Managed Volatility Fund	Net realized gain (loss) on Options and Futures transactions	\$-	\$2,307	\$-	\$2,307

Net Change in Unrealized Appreciation (Depreciation)

Derivatives not accounted for as hedging instruments	Statement of Operations Location	Interest Rate Contracts	Equity Contracts	Foreign Exchange Contracts	Total
USAA Global Managed Volatility Fund	Change in net unrealized appreciation/ (depreciation) of Options and Futures contracts	\$–	\$532	\$–	\$532

- D. **Investments in securities** – Securities transactions are accounted for as of the date the securities are purchased or sold (trade date). Gains or losses from sales of investment securities are computed on the identified cost basis. Dividend income, less foreign taxes, if any, is recorded on the ex-dividend date. If the ex-dividend date has passed, certain dividends from foreign securities are recorded upon notification. Interest income is recorded daily on the accrual basis. Premiums and discounts on short-term securities are amortized on a straight-line basis over the life of the respective securities.
- E. **Federal taxes** – The Fund’s policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income and net capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required.

For the six-month period ended June 30, 2019, the Fund did not incur any income tax, interest, or penalties, and has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions. On an ongoing basis, the Manager will monitor the Fund’s tax basis to determine if adjustments to this conclusion are necessary. The statute of limitations on the Fund’s tax return filings generally remain open for the three preceding fiscal reporting year ends and remain subject to examination by the Internal Revenue Service and state taxing authorities.

- F. **Foreign taxation** – Foreign income and capital gains on some foreign securities may be subject to foreign taxes, which are reflected as a reduction to such income and realized gains. The Fund records a liability

based on unrealized gains to provide for potential foreign taxes payable upon the sale of these securities. Foreign taxes have been provided for in accordance with the Fund's understanding of the applicable countries' prevailing tax rules and rates.

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

1. Purchases and sales of securities, income, and expenses at the exchange rate obtained from an independent pricing service on the respective dates of such transactions.
2. Market value of securities, other assets, and liabilities at the exchange rate obtained from an independent pricing service on a daily basis.

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

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

H. **Securities purchased 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 can take place a month or more after

the trade date. During the period prior to settlement, these securities do not earn interest, are subject to market fluctuation, and may increase or decrease in value prior to their delivery. The Fund maintains segregated assets with a market value equal to or greater than the amount of its purchase commitments. The purchase of securities on a delayed-delivery or when-issued basis may increase the volatility of the Fund's NAV to the extent that the Fund makes such purchases and commitments while remaining substantially fully invested.

- I. **Indemnifications** – Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties that provide general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred. However, the Trust expects the risk of loss to be remote.
- J. **Use of estimates** – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts in the financial statements.

(2) LINE OF CREDIT

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

The Trusts are also assessed facility fees by CAPCO in the amount of 14.0 basis points of the amount of the committed loan agreement. Prior to September 30, 2018, the maximum annual facility fee was 13.0 basis points of the amount of

the committed loan agreement. The facility fees are allocated among the funds of the Trusts based on their respective average daily net assets for the period.

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

For the six-month period ended June 30, 2019, the Fund paid CAPCO facility fees of \$4,000, which represents 1.2% of the total fees paid to CAPCO by the funds of the Trusts. The Fund had no borrowings under this agreement during the six-month period ended June 30, 2019. **Please refer to the Subsequent Event Note to the Financial Statements in this semiannual report for additional important information.**

(3) DISTRIBUTIONS

The tax basis of distributions and any accumulated undistributed net investment income will be determined as of the Fund's tax year-end of December 31, 2019, in accordance with applicable federal tax law.

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

At December 31, 2018, the Fund had no capital loss carryforwards, for federal income tax purposes. Net capital losses incurred after October 31, and within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. For the year ended December 31, 2018, the Fund deferred to January 1, 2019, post October capital losses of \$1,697,000.

As of June 30, 2019, the cost of securities, including short-term securities, for federal income tax purposes, was approximately the same as the cost reported in the financial statements. The net unrealized appreciation/(depreciation) on investments are disclosed below:

Fund	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/ (Depreciation)
USAA Global Managed Volatility Fund	\$98,345,000	\$9,314,000	\$89,031,000

(4) INVESTMENT TRANSACTIONS

Cost of purchases and proceeds from sales/maturities of securities, excluding short-term securities, for the six-month period ended June 30, 2019, were \$207,962,000 and \$195,298,000, respectively.

(5) SECURITIES LENDING

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

At June 30, 2019, the Fund's value of outstanding securities on loan and the value of collateral are as follows:

Value of Securities on Loan	Non-Cash Collateral	Cash Collateral
\$3,618,000	\$-	\$3,699,000

(6) CAPITAL SHARE TRANSACTIONS

At June 30, 2019, there were an unlimited number of shares of capital stock at no par value authorized for the Fund.

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

	Six-Month Period Ended June 30, 2019		Year Ended December 31, 2018	
	Shares	Amount	Shares	Amount
Fund Shares:				
Shares sold	94	\$ 968	329	\$ 3,541
Shares issued from reinvested dividends	–	–	46	443
Shares redeemed	(116)	(1,195)	(338)	(3,560)
Net increase (decrease) from capital share transactions	(22)	\$ (227)	37	\$ 424
Institutional Shares:				
Shares sold	400	\$ 4,019	18,307	\$200,895
Shares issued from reinvested dividends	–	–	4,082	39,886
Shares redeemed	(737)	(7,821)	(1,295)	(13,520)
Net increase (decrease) from capital share transactions	(337)	\$ (3,802)	21,094	\$227,261

(7) TRANSACTIONS WITH MANAGER

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

the Fund's assets. For the six-month period ended June 30, 2019, the Fund had no subadviser(s).

The Fund's management fee is accrued daily and paid monthly at an annualized rate of 0.60% of the Fund's average daily net assets. For the six-month period ended June 30, 2019, the Fund incurred management fees, paid or payable to the Manager, of \$3,033,000.

In addition, the Fund invests in affiliated USAA exchange-traded fund(s) (ETFs). The Fund's management fee is reimbursed by the Manager to the extent of the indirect management fee incurred through the Fund's proportional investment in the affiliated ETF(s). For the six-month period ended June 30, 2019, the Fund's management fee was reimbursed by the Manager in an amount of \$5,000, of which \$1,000 was receivable from the Manager. **Please refer to the Subsequent Event Note to the Financial Statements in this semiannual report for additional important information.**

Administration and servicing fees – The Manager provides certain administration and servicing functions for the Fund. For such services, the Manager receives a fee accrued daily and paid monthly at an annualized rate of 0.15% of average daily net assets of the Fund Shares, and 0.05% of average daily net assets of the Institutional Shares. For the six-month period ended June 30, 2019, the Fund Shares and Institutional Shares incurred administration and servicing fees, paid or payable to the Manager, of \$8,000 and \$250,000, respectively.

In addition to the services provided under its Administration and Servicing Agreement with the Fund, the Manager also provides certain compliance and legal services for the benefit of the Fund. The Board has approved the reimbursement of a portion of these expenses incurred by the Manager. For the six-month period ended June 30, 2019, the Fund reimbursed the Manager \$4,000 for these compliance and legal services. These expenses are included in the professional fees on the Fund's Statement of Operations. **Please refer to the Subsequent Event Note to the Financial Statements in this semiannual report for additional important information.**

Expense limitation – The Manager agreed, through April 30, 2020, to limit the total annual operating expenses of the Fund Shares and Institutional Shares to 0.90%, and 0.70%, respectively, of their average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly,

and to reimburse the Fund Shares and Institutional Shares for all expenses in excess of those amounts. This expense limitation arrangement may not be changed or terminated through April 30, 2020, without approval of the Board, and may be changed or terminated by the Manager at any time after that date. For the six-month period ended June 30, 2019, the Fund incurred reimbursable expenses from the Manager for the Fund Shares and the Institutional Shares of \$27,000 and \$213,000, respectively, of which \$80,000 was receivable from the Manager, which includes affiliated ETF(s) management expenses and receivable.

Transfer agent's fees – SAS, an affiliate of the Manager, provides transfer agent services to the Fund Shares based on an annual charge of \$23 per shareholder account plus out-of-pocket expenses. SAS pays a portion of these fees to certain intermediaries for the administration and servicing of accounts that are held with such intermediaries. Transfer agent's fees for Institutional Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.05% of the Institutional Shares' average daily net assets plus out-of-pocket expenses. For the six-month period ended June 30, 2019, the Fund Shares and Institutional Shares incurred transfer agent's fees, paid or payable to SAS, of \$8,000 and \$250,000, respectively. **Please refer to the Subsequent Event Note to the Financial Statements in this semiannual report for additional important information.**

Underwriting services – USAA Investment Management Company provides exclusive underwriting and distribution of the Fund's shares on a continuing best-efforts basis and receives no fee or other compensation for these services. **Please refer to the Subsequent Event Note to the Financial Statements in this semiannual report for additional important information.**

(8) TRANSACTIONS WITH AFFILIATES

The Fund offers its Institutional Shares for investment by other USAA Funds and is one of 16 USAA mutual funds in which the affiliated USAA fund-of-funds invest. The USAA fund-of-funds do not invest in the underlying funds for the purpose of exercising management or control, and the affiliated fund-of-funds' annual or semiannual reports may be viewed at usaa.com. As of

June 30, 2019, the USAA fund-of-funds owned the following percentages of the total outstanding shares of the Fund:

Affiliated USAA Fund	Ownership %
Target Retirement Income	3.1
Target Retirement 2020	8.4
Target Retirement 2030	26.7
Target Retirement 2040	36.0
Target Retirement 2050	21.9
Target Retirement 2060	2.8

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

(9) TRANSACTIONS WITH AFFILIATED FUNDS

- A. **Share ownership** – The Fund does not invest in the affiliated USAA Funds for the purpose of exercising management or control; however, investments by the Fund may represent a significant portion of the affiliated USAA Funds’ net assets. The affiliated funds’ annual or semiannual reports may be viewed at usaa.com. At June 30, 2019, the Fund owned the following percentages of the total outstanding shares of each of USAA Funds:

Affiliated USAA Fund	Ownership %
MSCI Emerging Markets Value Momentum Blend Index ETF	1.3
MSCI International Value Momentum Blend Index ETF	0.7

B. **Transactions with affiliated funds** – The following table provides details related to the Fund’s investment in the underlying USAA Funds for the six-month period ended June 30, 2019:

(\$ in 000s)				Realized	Capital	Change in net	Market Value	
Affiliated	Purchase	Sales	Dividend	Gain	Gain	unrealized/	12/31/18	6/30/19
USAA Fund	Cost ^(a)	Proceeds	Income	(Loss)	Distributions	depreciation		
MSCI								
Emerging Markets Value Momentum Blend Index ETF	\$502	\$–	\$ 6	\$–	\$–	\$119	\$1,807	\$2,428
MSCI								
International Value Momentum Blend Index ETF	–	–	38	–	–	200	2,202	2,402
Total	\$502	\$–	\$44	\$–	\$–	\$319	\$4,009	\$4,830

^(a)Includes reinvestment of distributions from dividend income and realized gains.

(10) UPCOMING REGULATORY MATTERS

In October 2016, the U.S. Securities and Exchange Commission (SEC) issued Final Rule Release No. 33-10233, *Investment Company Liquidity Risk Management Programs* (Liquidity Rule). The Liquidity Rule requires funds to establish a liquidity risk management program and enhances disclosures regarding funds’ liquidity. The requirements to implement a liquidity risk management program and establish a 15% illiquid investment limit became effective December 1, 2018. However, in February 2018, the SEC issued Release No. IC-33010, *Investment Company Liquidity Risk Management Programs; Commission Guidance for In-Kind ETFs*, which delayed certain requirements related to liquidity classification, highly liquid investment minimums, and board approval of the liquidity risk management programs to June 1, 2019. The Manager has determined there is no significant impact on the Fund’s financial statements and various filings.

(11) RECENT ACCOUNTING PRONOUNCEMENTS

In August 2018, the SEC adopted amendments to Regulation S-X for investment companies governing the form and content of financial statements. The amendments to Regulation S-X took effect on November 5, 2018, and the financial statements have been modified accordingly, for the current and prior periods.

ASU 2018-13, Fair Value Measurement

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820). The amendments in the ASU impact disclosure requirements for fair value measurement. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and can include the entire standard or certain provisions that exclude or amend disclosures. Management has elected to early adopt ASU 2018-13 effective with the current reporting period. The adoption of ASU 2018-13 guidance is limited to changes in the Fund's notes to financial statement disclosures regarding valuation method, fair value, and transfers between levels of the fair value hierarchy.

(12) SUBSEQUENT EVENT NOTE

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

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

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

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

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

Effective July 1, 2019, the line of credit (as discussed in the Notes to the Financial Statements in this semiannual report) among the Trust, with respect to its Funds, and CAPCO terminated; the Trust, with respect to its Funds, along with series of Victory Portfolios, Victory Portfolios II and Victory Variable Insurance Funds, entered into a 364 day committed credit facility and a 364 day uncommitted, demand credit facility with Citibank, N.A. (Citibank). Each such credit facility may be renewed if so agreed by the parties. Under the agreement with Citibank, the Funds may borrow up to \$600 million, of which \$300 million is committed and \$300 million is uncommitted. Of this amount, \$40 million of the line of credit is reserved for use by the Victory Floating Rate Fund (a series of Victory Portfolios), with that Fund paying the related commitment fees for that amount. The purpose of the agreement is to meet temporary or emergency cash needs, including redemption requests. Citibank receives an annual commitment fee of 0.15%. Each Fund pays a pro-rata portion of this commitment fee plus any interest on amounts borrowed.

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

Effective July 1, 2019, the Trust entered into an Agreement to Provide Compliance ("Compliance Agreement") with the Adviser, pursuant to which the Adviser furnishes its compliance personnel, including the services of the 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 Funds in the Victory Funds complex, in the aggregate, compensate the Adviser for these services. This agreement replaces an arrangement in place with AMCO previously.

FINANCIAL HIGHLIGHTS

FUND SHARES (unaudited)

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

	Six-Month Period Ended June 30,		Year Ended December 31,			
	2019	2018	2015	2016	2015	2014
Net asset value at beginning of period	\$ 9.39	\$ 10.73	\$ 9.03	\$ 8.59	\$ 8.97	\$ 11.14
Income (loss) from investment operations:						
Net investment income.	.04	.25	.13 ^(a)	.13 ^(a)	.10 ^(a)	.17 ^(a)
Net realized and unrealized gain (loss)	1.26	(1.18)	1.76 ^(a)	.42 ^(a)	(.40) ^(a)	(.37) ^(a)
Total from investment operations	1.30	(.93)	1.89 ^(a)	.55 ^(a)	(.30) ^(a)	(.20) ^(a)
Less distributions from:						
Net investment income	—	(.15)	(.14)	(.11)	(.08)	(.84)
Realized capital gains	—	(.26)	(.05)	—	—	(1.13)
Total distributions	—	(.41)	(.19)	(.11)	(.08)	(1.97)
Net asset value at end of period	\$ 10.69	\$ 9.39	\$ 10.73	\$ 9.03	\$ 8.59	\$ 8.97
Total return (%)*	13.84	(8.78)	20.95	6.39	(3.28)	(2.02)
Net assets at end of period (000)	\$11,410	\$10,229	\$11,284	\$13,964	\$15,911	\$23,300
Ratios to average daily net assets:**						
Expenses (%) ^(b)	.90 ^(c)	.90	.90	.89	.90 ^(d)	1.07 ^(e)
Expenses, excluding reimbursements (%) ^(b)	1.39 ^(c)	1.18	1.09	1.13	1.15	1.25
Net investment income (%)	1.71 ^(c)	1.57	1.30	1.48	1.14	1.60
Portfolio turnover (%)	20	35	48 ^(f)	9	16 ^(g)	147 ^(h)

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

** For the six-month period ended June 30, 2019, average daily net assets were \$11,007,000.

(a) Calculated using average shares.

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

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

(d) Prior to May 1, 2015, the Manager had voluntarily agreed to limit the annual expenses of the Fund Shares to 0.90% of the Fund Shares' average daily net assets.

(e) Effective November 24, 2014, the Manager had voluntarily agreed to limit the annual expenses of the Fund Shares to 1.10% of the Fund Shares' average daily net assets.

(f) Reflects increase trading activity due to large shareholder inflows.

(g) Reflects a return to normal trading levels after a prior year transition.

(h) Reflects increased trading activity due to large shareholder redemptions.

INSTITUTIONAL SHARES (unaudited)

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

	Six-Month Period Ended June 30,		Year Ended December 31,			
	2019	2018	2017	2016	2015	2014
Net asset value at beginning of period .	\$ 9.49	\$ 10.84	\$ 9.12	\$ 8.69	\$ 9.08	\$ 11.16
Income (loss) from investment operations:						
Net investment income	.10	.16	.18 ^(a)	.16 ^(a)	.14 ^(a)	.20 ^(a)
Net realized and unrealized gain (loss)	1.23	(1.08)	1.76 ^(a)	.40 ^(a)	(.44) ^(a)	(.33) ^(a)
Total from investment operations	1.33	(.92)	1.94 ^(a)	.56 ^(a)	(.30) ^(a)	(.13) ^(a)
Less distributions from:						
Net investment income.	–	(.17)	(.17)	(.13)	(.09)	(.82)
Realized capital gains	–	(.26)	(.05)	–	–	(1.13)
Total distributions	–	(.43)	(.22)	(.13)	(.09)	(1.95)
Net asset value at end of period	\$ 10.82	\$ 9.49	\$ 10.84	\$ 9.12	\$ 8.69	\$ 9.08
Total return (%)*	14.01	(8.61)	21.24	6.46	(3.27)	(1.39)
Net assets at end of period (000)	\$1,047,345	\$922,210	\$824,189	\$295,644	\$189,078	\$57,938
Ratios to average daily net assets:**						
Expenses (%) ^(b)	.70 ^(c)	.70	.72 ^(d)	.78	.80	.87 ^(e)
Expenses, excluding reimbursements (%) ^(b)	.74 ^(c)	.74	.76	.81	.88	.87
Net investment income (%)	1.90 ^(c)	1.87	1.79	1.85	1.61	1.76
Portfolio turnover (%)	20	35	48 ^(f)	9	16 ^(g)	147 ^(h)

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

** For the six-month period ended June 30, 2019, average daily net assets were \$1,009,963,000.

(a) Calculated using average shares.

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

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

(d) Prior to May 1, 2017, the Manager has voluntarily agreed to limit the annual expenses of the Institutional Shares to 0.70% of the Institutional Shares' average daily net assets. Reflects a return to normal trading levels after a prior year transition.

(e) Effective November 24, 2014, the Manager voluntarily agreed to limit the annual expenses of the Institutional Shares to 0.80% of the Institutional Shares' average daily net assets.

(f) Reflects increase trading activity due to large shareholder inflows.

(g) Reflects a return to normal trading levels after a prior year transition.

(h) Reflects increased trading activity due to large shareholder redemptions.

EXPENSE EXAMPLE

June 30, 2019 (unaudited)

EXAMPLE

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period of January 1, 2019, through June 30, 2019.

ACTUAL EXPENSES

The line labeled “actual” under each share class in the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested at the beginning of the period, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number for your share class in the “actual” line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The line labeled “hypothetical” under each share class in the table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratios for each class and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of

investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any direct costs, such as wire fees, redemption fees, or low balance fees. Therefore, the line labeled “hypothetical” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these direct costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2019	Ending Account Value June 30, 2019	Expenses Paid During Period* January 1, 2019 – June 30, 2019
Fund Shares			
Actual	\$1,000.00	\$1,138.40	\$4.77
Hypothetical (5% return before expenses)	1,000.00	1,020.33	4.51
Institutional Shares			
Actual	1,000.00	1,140.10	3.71
Hypothetical (5% return before expenses)	1,000.00	1,021.32	3.51

*Expenses are equal to the annualized expense ratio of 0.90% for Fund Shares and 0.70% for Institutional Shares, which are net of any reimbursements and expenses paid indirectly, multiplied by the average account value over the period, multiplied by 181 days/365 days (to reflect the one-half-year period). The Fund’s actual ending account values are based on its actual total returns of 13.84% for Fund Shares and 14.01% Institutional Shares for the six-month period of January 1, 2019, through June 30, 2019.

ADVISORY AGREEMENT(S)

(between the Trust and Victory Capital Management Inc.)

June 30, 2019 (unaudited)

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

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

BACKGROUND FOR THE BOARD APPROVALS

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

In anticipation of the Transaction, the Trustees met at a series of subsequent in-person meetings on November 27-28, 2018, January 7-8, 2019, and January 14-15, 2019, which included meetings of the full Board and separate meetings of the Independent Trustees for the purposes of considering, among other things: whether it would be in the best interests of each Fund and its respective shareholders to approve the New Agreements; and the anticipated impacts of the Transaction on the Funds and their shareholders (each, a "Meeting"). During each of these Meetings, the Board sought additional and clarifying information as it deemed necessary or appropriate. In this connection, the Independent Trustees worked with their independent

legal counsel to prepare formal due diligence requests (the “Diligence Requests”) that were submitted to Victory Capital, Victory Capital Advisers, Inc. (“VCA”), and the subadvisers. The Diligence Requests sought information relevant to the Board’s consideration of the New Advisory Agreement, the New Subadvisory Agreements, distribution arrangements, and other anticipated impacts of the Transaction on the Funds and their shareholders. Victory Capital, VCA, and the subadvisers provided documents and information in response to the Diligence Requests (the “Response Materials”). Following their review of the Response Materials, the Independent Trustees submitted a supplemental due diligence request for additional and clarifying information (the “Supplemental Diligence Request”) to Victory Capital and VCA. Victory Capital and VCA provided further information in response to the Supplemental Diligence Request, which the Board reviewed. Senior management representatives of Victory Capital and/or AMCO participated in a portion of each Meeting and addressed various questions raised by the Board. Throughout the process, the Independent Trustees were assisted by their independent legal counsel and counsel to the Funds, who advised them on, among other things, their duties and obligations relating to their consideration of the New Agreements.

The Board’s evaluation of the New Agreements reflected the information provided specifically in connection with its review of the New Agreements, as well as, where relevant, information that was previously furnished to the Board in connection with the most recent renewal of the Existing Management Agreements and Existing Subadvisory Agreements at an in-person meeting of the Board on April 18, 2018 (the “2018 15(c) Meeting”) and at other subsequent Board meetings in 2018. The Board’s evaluation of the New Agreements also reflected the knowledge gained as Board members of the Funds with respect to services provided by AMCO, its affiliates, and each subadviser to the Funds.

The Board’s approvals and recommendations were based on its determination, within its business judgment, that it would be in the best interests of each Fund and its respective shareholders, for Victory Capital and, as applicable, the subadvisers, to provide investment advisory, investment subadvisory, and related services to the Funds, following the closing of the Transaction.

FACTORS CONSIDERED IN APPROVING THE NEW ADVISORY AGREEMENT

In connection with the Board's consideration of the New Advisory Agreement, Victory Capital and AMCO advised the Board about a variety of matters, including the following:

- The nature, extent, and quality of the services to be provided to the Funds by Victory Capital Post-Transaction are expected to be of at least the same level as the services currently provided to the Funds by AMCO.
- Victory Capital's stated commitment to maintaining and enhancing the USAA member/USAA Fund shareholder experience, including creating a dedicated USAA Fund sales and client service call center that will provide ongoing client service and advice to existing and new USAA members.
- Victory Capital proposes to: (1) replace the underlying indexes for the USAA Extended Market Index Fund and USAA S&P 500 Index Fund with indexes designed to provide shareholders with comparable exposure and investment outcomes; (2) change the USAA Extended Market Index Fund's and USAA S&P 500 Index Fund's investment objectives and strategies in light of the changes to their underlying indexes; and (3) change the name of the USAA S&P 500 Index Fund to the USAA 500 Index Fund.
- Victory Capital does not propose changes to the investment objective(s) of any other Funds. Although the investment processes used by Victory Capital's portfolio managers may differ from those used by AMCO's portfolio managers or, if applicable, any subadviser's portfolio managers, such differences are not currently expected to result in changes to the principal investment strategies or principal investment risks of the Funds.
- The New Advisory Agreement does not change any Fund's advisory fee rate or the computation method for calculating such fees (except that Victory Capital, subject to Board approval, may in the future use a single designated share class to calculate the performance adjustment).

For at least two years after the Transaction closes, Victory Capital has agreed to waive fees and/or reimburse expenses so that each Fund's annual expense ratio (excluding certain customary items) does not exceed the levels reflected in each Fund's most recent audited financial statements at the time the Transaction closes (or the levels of AMCO's then-current expense caps, if applicable), excluding the impact of any performance adjustment to the Fund's advisory fee.

- The portfolio managers at AMCO that manage the Fixed Income Funds¹ as well as the USAA's Global Multi-Asset team servicing the Cornerstone Funds², Target Retirement Funds³, Global Managed Volatility Fund, Managed Allocation Fund, and Target Managed Allocation Fund, are expected to continue to do so Post-Transaction as employees of Victory Capital, if they choose to become employees of Victory Capital. Post-Transaction, the investment teams for the Funds, other than the Fixed Income Funds, will be replaced or augmented.
- With the exception of the USAA S&P 500 Index Fund, USAA Extended Market Index Fund, and USAA Nasdaq-100 Index Fund, which will be advised by Victory Capital through its Victory Solutions platform, Victory Capital proposes that the same subadvisers be retained Post-Transaction, although Victory Capital may change the allocation to a particular subadviser Post-Transaction. No changes are expected to the portfolio managers of the subadvisers who will serve as subadvisers Post-Transaction.

¹The Fixed Income Funds include the following Funds: California Bond Fund, Government Securities Fund, High Income Fund, Income Fund, Intermediate-Term Bond Fund, Tax Exempt Intermediate-Term Fund, Tax Exempt Long-Term Fund, New York Bond Fund, Short-Term Bond Fund, Tax Exempt Short-Term Fund, Ultra Short-Term Bond Fund, Virginia Bond Fund, Money Market Fund, Tax Exempt Money Market Fund and Treasury Money Market Trust.

²The Cornerstone Funds include the following Funds: Cornerstone Aggressive Fund, Cornerstone Conservative Fund, Cornerstone Equity Fund, Cornerstone Moderate Fund, Cornerstone Moderately Aggressive Fund, and Cornerstone Moderately Conservative Fund.

³The Target Retirement Funds include the following Funds: Target Retirement 2020 Fund, Target Retirement 2030 Fund, Target Retirement 2040 Fund, Target Retirement 2050 Fund, Target Retirement 2060 Fund, and Target Retirement Income Fund.

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

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

The nature, extent, and quality of services expected to be provided by Victory Capital

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

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

education, affiliations and/or other credentials or qualifications of the anticipated portfolio managers at Victory Capital that would manage the Equity Funds⁴, Cornerstone Funds, and Target Retirement Funds. The Board noted that the Equity Funds or portions of Equity Funds currently managed by AMCO would be replaced with portfolio managers from Victory Capital.

The Board considered that certain Funds would continue to operate in a manager-of-managers structure Post-Transaction. The Board considered that Victory Capital's experience in allocating assets to, and overseeing the advisory services of, its investment franchises and the Victory Solutions platform, was similar to AMCO's role in allocating assets to and overseeing the advisory services provided by the subadvisers.

The Board considered that the terms and conditions of the New Advisory Agreement are substantially similar to the terms and conditions of the Existing Management Agreements. The Board also considered that the New Subadvisory Agreements are substantially similar to the terms and conditions of the Existing Subadvisory Agreements and that no changes were proposed to the allocation of responsibilities as between Victory Capital and any subadviser, except to the extent that under the New Subadvisory Agreements each subadviser would be responsible for voting proxies with respect to assets allocated to that subadviser, while AMCO currently votes all Fund proxies. The Board considered that Victory Capital also would provide certain administrative, fund accounting, and shareholder servicing services under a separate administration agreement with the Funds. In this connection, the Board considered information on Victory Capital's use of third-party service providers to provide certain sub-administration and sub-accounting services to the Funds.

After review of these and other considerations, the Board concluded that Victory Capital will be capable of providing investment advisory services of the same high quality as the investment advisory services provided to the Funds by AMCO, and that these services are appropriate in nature and extent in light of the Funds' operations and investor needs.

⁴The Equity Funds include the following Funds: Aggressive Growth Fund, Growth & Income Fund, Income Stock Fund, Global Equity Income Fund, and Precious Metals and Minerals Fund.

Performance of the Funds – With respect to the performance of the Funds, the Board considered its review at the 2018 15(c) Meeting of peer group and benchmark investment performance comparison data relating to each Fund and, if applicable, each subadvisor’s performance record for similar accounts. The Board considered that information reviewed at the 2018 15(c) Meeting may be more relevant for those Funds that would retain their current portfolio managers or subadvisers. With respect to the Funds whose portfolio managers would be replaced, the Board considered the performance of funds sponsored and managed by Victory Capital (“Victory Funds”) with similar investment objectives and strategies managed by the portfolio managers who would manage the Funds. Based on information presented to the Board at the Meetings and its discussions with Victory Capital, the Board concluded that Victory Capital is capable of generating a level of long-term investment performance that is appropriate in light of each Fund’s investment objectives, strategies and restrictions.

Fees to be paid to Victory Capital and expenses of the Funds – The Board considered that it had reviewed each Fund’s existing advisory fee rate and computation method for calculating such fees at the 2018 15(c) Meeting. The Board considered that the New Advisory Agreement does not change any Fund’s advisory fee rate or the computation method for calculating such fees, except that Victory Capital, subject to Board approval, may in the future use a single designated share class to calculate the performance adjustment and apply the resulting performance adjustment across each other class of shares of the Fund. The Board considered that the use of a single designated class to calculate the performance adjustment for each other class of shares of the Fund could mean that shareholders of a class other than the class used to measure the performance adjustment may pay a performance adjustment that is higher or lower than if the adjustment were calculated on a class by class basis, primarily due to the impact of differences in the fees and expenses between share classes on performance. The Board considered that the New Advisory Agreement stipulates that the period for measuring performance for calculating a Fund’s performance adjustment begins on the date that Victory Capital begins managing the Fund; therefore, no performance adjustments will be made for the first twelve months of the New Advisory Agreement, consistent with applicable regulations. The Board also considered Victory Capital’s contractual commitment under the expense limitation

agreement (“ELA”) to waive fees and/or reimburse expenses for at least two years after the closing of the Transaction, so that each Fund’s annual expense ratio (excluding acquired fund fees and expenses, any performance adjustment to a Fund’s advisory fee, interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of such Fund’s business) does not exceed the levels reflected in each Fund’s most recent audited financial statements at the time the Transaction closes (or the levels of AMCO’s then-current expense caps, if applicable), excluding the impact of any performance adjustment to a Fund’s advisory fee. The Board considered that the ELA permits Victory Capital to recoup advisory fees waived and expenses reimbursed for up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limitation in effect at the time of: (1) the original waiver or expense reimbursement; or (2) recoupment. The Board also considered that Victory Capital and AMCO had represented to the Board that they will use their best efforts to ensure that they and their respective affiliates do not take any action that imposes an “unfair burden” on the Funds as a result of the Transaction or as a result of any express or implied terms, conditions or understandings applicable to the Change of Control Event, for so long as the requirements of Section 15(f) of the 1940 Act apply. The Board also considered a comparison of the proposed advisory fees to be paid by each Fund to the advisory fees paid by funds and other accounts managed by Victory Capital deemed to be comparable to the Fund in terms of investment objectives and strategies. The Board considered that, with few exceptions, mostly involving weighted average fees for separate accounts, the advisory fees to be paid by the Funds were lower than the fees paid by these other funds and accounts. The Board concluded that the retention of Victory Capital was unlikely to impose an unfair burden on the Funds because, after the Transaction, none of AMCO, Victory Capital, VCA, or any of their respective affiliates, would be entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of the Funds (other than ordinary fees for bona fide principal underwriting services), or (ii) from the Funds or their shareholders for other than bona fide investment advisory or other services. Based on its review, the Board determined, with respect to each Fund, that Victory Capital’s advisory fee is fair and reasonable.

The extent to which Victory Capital may realize economies of scale as the Funds grow larger and whether fee levels reflect these economies of scale for the benefit of Fund shareholders –

The Board considered potential or anticipated economies of scale in relation to the services Victory Capital would provide to each Fund. The Board considered that the New Advisory Agreement includes the same advisory fee breakpoints for the same Funds as the Existing Advisory Agreements. The Board also considered that Victory Capital has contractually agreed to cap the Funds' annual operating expense ratios, pursuant to the ELA, which will remain in effect for at least two years from the closing of the Transaction, and may be extended. The Board also considered Victory Capital's representation that the significant increase in its assets under management Post-Transaction may reasonably be expected to enable the new combined firm to reach greater economies of scale in a shorter time frame. The Board noted that it will have the opportunity to periodically re-examine whether a Fund or the Trust has achieved economies of scale, and the appropriateness of investment advisory and administrative fees payable to Victory Capital, in the future.

The profits to be realized by Victory Capital and its affiliates from their relationship with the Trust –

The Board considered the benefits Victory Capital and its affiliates may derive from their relationship with the Funds, including compensation to be paid to Victory Capital for the provision of certain administrative, fund accounting and shareholder services to the Funds and compensation to be paid to USAA Transfer Agent for the provision of transfer agency services to the Funds. The Board considered the significant investments Victory Capital expected to make to support and grow the USAA member channel and the costs to integrate the USAA Fund business into Victory Capital. The Board also considered Victory Capital's profitability report presented to the board of trustees of the Victory Funds in connection with their most recent 15(c) process. The Board considered Victory Capital's representation that the fully integrated USAA Fund business, including investments to support ongoing growth, was expected to have an overall marginally positive impact on Victory Capital's overall financial profitability. The Board noted the difficulty of accurately projecting profitability under the current circumstance and noted that it would have the opportunity to give further consideration to Victory Capital's profitability with respect to the Funds at the end of the initial two-year term of the New Advisory Agreement.

Fall-Out and other benefits to Victory Capital and its affiliates – The Board considered the possible fall-out benefits and other types of benefits that may accrue to Victory Capital and its affiliates. The Board noted that the Transaction provides Victory Capital and its affiliates the opportunity to deliver investment products and services to USAA's direct member-based channel. The Board also considered that Victory Capital may derive reputational and other benefits from its ability to use “USAA” and related names in connection with operating and marketing the Funds. The Board considered that the Transaction, if completed, would significantly increase Victory Capital's assets under management and expand Victory Capital's investment capabilities. This increased size and diversification could facilitate Victory Capital's continued investment in its business and products, which Victory Capital would be able to leverage across a broader base of assets. Victory Capital also would be able to use trading commission credits from the Funds' transactions in securities to “purchase” third party research and execution services to support its investment process. Based on its review, the Board determined that any “fall-out” benefits and other types of benefits that may accrue to Victory Capital are fair and reasonable.

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

ADVISORY AGREEMENT(S)

(between the Trust and the Manager)

June 30, 2019 (unaudited)

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

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

¹At an in-person meeting held on January 15, 2019, the Board, including the Independent Trustees, approved a new investment advisory agreement between the Trust, on behalf of the Fund, and Victory Capital Management Inc. (“Victory Capital”). Effective July 1, 2019, upon the closing of the transaction whereby the Manager acquired by Victory Capital Holdings, Inc., the parent company of Victory Capital, the Advisory Agreement between the Trust and the Manager and the Sub-advisory Agreement with the Subadviser terminated and the new investment advisory agreement between the Trust and Victory Capital went into effect. The factors the Board considered in approving the new investment advisory agreement with Victory Capital are discussed above. Effective June 30, 2019, the Subadviser no longer manages any portion of the Fund.

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 continuance 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 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.

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 the Manager's 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 was also 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 (in this case, other funds-of-funds that invest in unaffiliated exchange traded funds with front-end loads and no sales loads), comparability of investment objective and classification, sales load type, asset size, and expense components (the expense group) and (ii) a larger group of investment companies that includes all funds-of-funds with front-end loads and no-loads that invest in unaffiliated exchange traded funds 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 as well as any fee waivers and reimbursements – was below the median of its expense group and its expense universe. The data indicated that the Fund’s total expenses, including underlying expenses and after any reimbursements, were below the median of its expense group and its expense universe. The Board took into account the various services provided to the Fund by the Manager and its affiliates, including the high quality of services received by the Fund from the Manager. The Board also noted the level and method of computing the management 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 returns with its Lipper index and with that of other mutual funds deemed to be in its peer group by the independent third party in its report (the “performance universe”). The Fund’s performance universe consisted of the Fund and all retail and institutional open-end investment companies with the same classification/objective as the Fund regardless of asset size or primary channel of distribution. This comparison

indicated that, among other data, the Fund's performance was below the average of its performance universe and its Lipper index for the one-year period ended December 31, 2018, was above the average of its performance universe and its Lipper index for the three-year period ended December 31, 2018, and was above the average of its performance universe and below its Lipper index for the five-year period ended December 31, 2018. The Board also noted that the Fund's percentile performance ranking was in the bottom 50% of its performance universe for the one- and five-year periods ended December 31, 2018, and was in the top 20% of its performance universe for the three-year period ended December 31, 2018.

Compensation and Profitability – The Board took into consideration the level and method of computing the management fee. The information considered by the Board included operating profit margin information for the Manager's business as a whole. The Board also received and considered profitability information related to the management revenues from the Fund. This information included a review of the methodology used in the allocation of certain costs to the Fund. In considering the profitability data with respect to the Fund, the Trustees noted that the Manager reimbursed a portion of its management fees 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 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 also considered the fee waiver and expense reimbursement arrangements by the Manager. The Board took

into account management's discussion of the Fund's 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 overall 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 their relationship with the Fund is reasonable in light of the nature and high quality of services provided by the Manager and the type of fund. Based on its conclusions, the Board determined that continuation of the Advisory Agreement would be in the best interests of the Fund and its shareholders.

As of July 1, 2019

Trustees

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Robert L. Mason, Ph.D.
Jefferson C. Boyce
Dawn M. Hawley
Paul L. McNamara
Richard Y. Newton III
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Accounting Firm**

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

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