USAA®

MUTUAL FUNDS

June 30, 2019

Semiannual Report

USAA Ultra Short-Term Bond Fund

Fund Shares	Institutional Shares	R6 Shares
UUSTX	UUSIX	URUSX

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

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

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

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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.

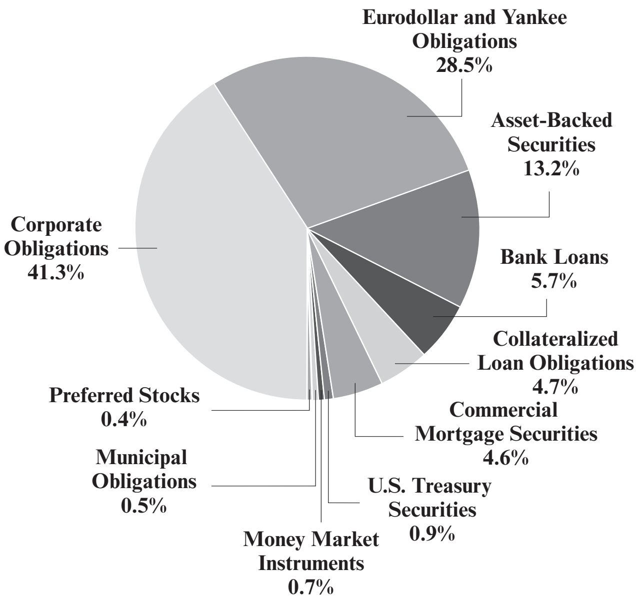
If you do not have a withholding election in place by the date of a distribution, federal income tax will be withheld from the taxable portion of your distribution at a rate of 10%. If you must pay estimated taxes, you may be subject to estimated tax penalties if your estimated tax payments are not sufficient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

For more specific information, please consult your tax adviser.

INVESTMENT OVERVIEW

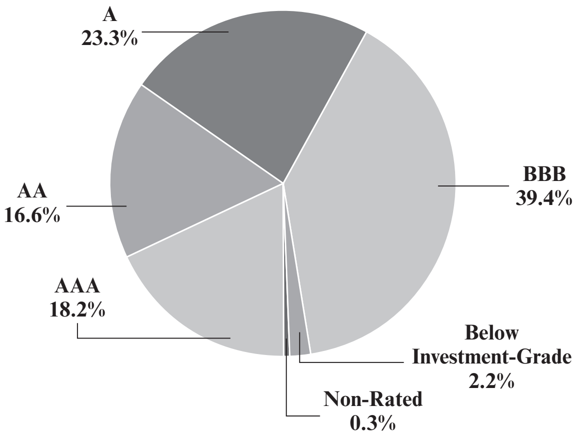
ASSET ALLOCATION – 6/30/19

(% of Net Assets)



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.

PORTFOLIO RATINGS MIX – 6/30/19



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

Percentages are of the total market value of the Fund's investments.

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**
11,968,536	1,940,259	879,326

PROPOSAL 2

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

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

PORTFOLIO OF INVESTMENTS

June 30, 2019 (unaudited)

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	BONDS (99.3%)			
	ASSET-BACKED SECURITIES (13.2%)			
	Asset Backed Securities (12.6%)			
	Automobile ABS (8.0%)			
$ 340	ARI Fleet Lease Trust[a]	1.91%	4/15/2026	$ 339
1,000	ARI Fleet Lease Trust[a]	2.28	4/15/2026	1,000
167	Avis Budget Rental Car Funding AESOP, LLC[a]	3.75	7/20/2020	167
676	Avis Budget Rental Car Funding AESOP, LLC[a]	2.50	2/20/2021	676
2,000	Avis Budget Rental Car Funding AESOP, LLC[a]	4.94	6/20/2022	2,054
1,000	Bank of The West Auto Trust[a]	2.40	10/17/2022	1,001
1,000	Bank of The West Auto Trust[a]	2.43	4/15/2024	1,003
1,407	Canadian Pacer Auto Receivables Trust[a]	2.05	3/19/2021	1,405
464	Credit Acceptance Auto Loan Trust[a]	4.29	11/15/2024	465
1,000	Credit Acceptance Auto Loan Trust[a]	2.65	6/15/2026	1,002
2,000	Enterprise Fleet Financing, LLC[a]	2.04	2/22/2022	1,995
2,000	Exeter Automobile Receivables Trust[a]	5.83	12/15/2021	2,011
652	Exeter Automobile Receivables Trust[a]	2.90	1/18/2022	652
476	Exeter Automobile Receivables Trust[a]	3.46	10/17/2022	480
1,000	Hyundai Auto Receivables Trust	3.14	6/17/2024	1,025
1,320	OSCAR U.S. Funding Trust IX, LLC[a]	3.15	8/10/2021	1,324
1,500	OSCAR U.S. Funding Trust VIII, LLC[a]	3.23	5/10/2022	1,517
977	Prestige Auto Receivables Trust[a]	3.05	4/15/2021	978
958	Santander Drive Auto Receivables Trust	3.52	12/15/2022	966
2,000	Santander Retail Auto Lease Trust[a]	2.22	1/20/2021	1,999
194	Securitized Term Auto Receivables Trust[a]	1.89	8/25/2020	194
284	TCF Auto Receivables Owner Trust[a]	2.55	4/15/2021	284
1,307	Wheels SPV, LLC[a]	1.87	5/20/2025	1,304
				23,841
	Credit Card ABS (1.3%)			
2,000	Master Credit Card Trust “A”[a]	2.26	7/21/2021	1,999
2,000	Synchrony Credit Card Master Note Trust “C”	2.56	6/15/2023	1,998
				3,997
	Other ABS (3.1%)			
1,950	BCC Funding XIII, LLC[a]	4.78	8/20/2022	1,984
367	Great America Leasing Receivables Funding, LLC[a]	2.06	6/22/2020	367

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
$ 1,000	Great America Leasing Receivables Funding, LLC[(a)]	2.36%	1/20/2023	$ 1,000
1,500	NP Ferrum LLC[(a)]	3.59	2/19/2045	1,520
248	NP SPE II, LLC[(a)]	3.37	10/21/2047	254
1,315	SCF Equipment Leasing , LLC[(a)]	3.04	3/20/2023	1,321
1,134	SCF Equipment Leasing, LLC[(a)]	3.41	12/20/2023	1,146
1,000	SCF Equipment Leasing, LLC[(a)]	3.49	1/20/2026	1,023
612	Volvo Financial Equipment, LLC[(a)]	1.92	3/15/2021	611
				9,226
	Student Loan ABS (0.2%)			
705	SLM Private Education Loan Trust[(a)]	2.50	3/15/2047	704
	Total Asset Backed Securities			37,768
	Mortgage Securities (0.6%)			
	Whole Loan Collateral CMO (0.6%)			
1,771	Holmes Master Issuer plc (3 mo. LIBOR + 0.36%)[(a)]	2.96[(b)]	10/15/2054	1,770
	Total Asset-Backed Securities (cost: $39,371)			39,538
	BANK LOANS (5.7%)[(c)]			
	Consumer, Cyclical (0.3%)			
	Lodging (0.3%)			
750	Boyd Gaming Corp.[(d)]	0.00	9/15/2021	749
	Consumer, Non-cyclical (0.8%)			
	Healthcare-Services (0.8%)			
2,248	HCA, Inc. (3 mo. LIBOR + 1.50%)	3.83	6/10/2020	2,246
	Financial (2.0%)			
	REITS (2.0%)			
3,000	GLP Capital, LP (1 mo. LIBOR + 1.50%)	3.90	4/28/2021	2,987
3,000	Sabra Health Care Ltd. (1 mo. LIBOR + 1.45%)	3.85	8/17/2020	2,985
	Total Financial			5,972
	Industrial (0.3%)			
	Hand/Machine Tools (0.3%)			
1,000	Colfax Corp. (1 mo. LIBOR + 1.75%)	4.15	12/17/2020	1,000
	Technology (1.6%)			
	Computers (0.3%)			
1,094	Dell International, LLC (1 mo. LIBOR + 1.75%)	4.16	9/07/2021	1,094
	Semiconductors (1.0%)			
995	Micron Technology, Inc. (1 mo. LIBOR + 1.75%)	4.16	4/26/2022	995
2,000	ON Semiconductor Corp.[(d)]	0.00	3/31/2023	1,977
				2,972

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Software (0.3%)			
$ 818	First Data Corp. (1 mo. LIBOR + 2.00%)	4.40%	7/08/2022	$ 818
	Total Technology			4,884
	Utilities (0.7%)			
	Electric (0.7%)			
2,107	AES Corp. (3 mo. LIBOR + 1.75%)	4.27	5/31/2022	2,107
	Total Bank Loans (cost: $16,971)			16,958
	COLLATERALIZED LOAN OBLIGATIONS (4.7%)			
	Asset Backed Securities (4.7%)			
	Other ABS (4.7%)			
2,000	CIFC Funding Ltd. (3 mo. LIBOR + 0.86%)[a]	3.44[b]	10/25/2027	1,990
1,000	CIFC Funding Ltd. (3 mo. LIBOR + 0.80%)[a]	3.39[b]	1/20/2028	998
2,000	Madison Park Funding XI Ltd. (3 mo. LIBOR + 1.16%)[a]	3.75[b]	7/23/2029	2,000
1,500	Magnetite XXI Ltd. (3 mo. LIBOR + 1.28%)[a]	3.91[b]	4/20/2030	1,507
1,500	Octagon Investment Partners 25 Ltd. (3 mo. LIBOR + 0.80%)[a]	3.39[b]	10/20/2026	1,500
1,177	Palmer Square Loan Funding 2018-2 Ltd. (3 mo. LIBOR + 0.65%)[a]	3.25[b]	7/15/2026	1,174
500	Palmer Square Loan Funding 2018-2 Ltd. (3 mo. LIBOR + 1.05%)[a]	3.65[b]	7/15/2026	499
949	Palmer Square Loan Funding 2018-5 Ltd. (3 mo. LIBOR + 0.85%)[a]	3.44[b]	1/20/2027	949
1,500	Sound Point VIII-R Ltd. (3 mo. LIBOR + 1.36%)[a]	3.96[b]	4/15/2030	1,501
2,000	Sound Point X Ltd. (3 mo. LIBOR + 0.89%)[a]	3.48[b]	1/20/2028	1,998
	Total Asset Backed Securities			14,116
	Total Collateralized Loan Obligations (cost: $14,119)			14,116
	COMMERCIAL MORTGAGE SECURITIES (4.6%)			
	Mortgage Securities (4.6%)			
	Commercial MBS (4.6%)			
24,830	GS Mortgage Securities Trust[a],[e],[f]	0.82[g]	3/10/2044	238
2,000	Caesars Palace Las Vegas Trust 2017-VICI[a]	3.83	10/15/2034	2,081
1,500	COMM 2019-521F Mortgage Trust (1 mo. LIBOR + 1.10%)[a]	3.58[b]	6/15/2034	1,505
489	Commercial Mortgage Trust	5.83[g]	7/10/2038	492
2,800	FREMF Mortgage Trust[a]	5.55[g]	12/25/2046	2,834
1,575	FREMF Mortgage Trust[a]	3.16[g]	10/25/2047	1,572
1,500	HPLY Trust 2019-HIT (1 mo. LIBOR + 1.35%)[a]	3.74[b]	11/15/2036	1,505

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
$ 6,166	JPMBB Commercial Mortgage Securities Trust[e],[f]	0.95%[g]	4/15/2047	$ 144
1,000	KNDL 2019-KNSQ Mortgage Trust (1 mo. LIBOR + 0.95%)[a]	3.34[b]	5/15/2036	1,002
391	LSTAR Commercial Mortgage Trust[a]	2.42	3/10/2050	392
2,000	Morgan Stanley Capital Trust "A" (1 mo. LIBOR + 0.70%)[a]	3.09[b]	11/15/2034	2,000
	Total Mortgage Securities			13,765
	Total Commercial Mortgage Securities (cost: $13,350)			13,765
	CORPORATE OBLIGATIONS (41.3%)			
	Basic Materials (2.6%)			
	Chemicals (1.7%)			
2,145	INVISTA Finance, LLC[a]	4.25	10/15/2019	2,168
857	NewMarket Corp.	4.10	12/15/2022	889
2,000	Sherwin-Williams Co.	2.25	5/15/2020	1,997
				5,054
	Iron/Steel (0.5%)			
1,500	Carpenter Technology Corp.	5.20	7/15/2021	1,541
	Mining (0.4%)			
1,000	Freeport-McMoRan, Inc.	3.88	3/15/2023	1,002
	Total Basic Materials			7,597
	Communications (0.9%)			
	Media (0.9%)			
2,000	Charter Communications Operating, LLC / Charter Communications Operating Capital (3 mo. LIBOR + 1.65%)	4.23[b]	2/01/2024	2,009
740	Discovery Communications, LLC	2.20	9/20/2019	739
	Total Communications			2,748
	Consumer, Cyclical (3.4%)			
	Airlines (0.3%)			
843	Continental Airlines, Inc. Pass-Through Trust "B"	6.25	10/11/2021	860
	Auto Manufacturers (2.8%)			
2,000	Ford Motor Credit Co., LLC (3 mo. LIBOR + 0.43%)	3.01[b]	11/02/2020	1,981
930	Ford Motor Credit Co., LLC (3 mo. LIBOR + 0.88%)	3.48[b]	10/12/2021	916
2,000	General Motors Co. (3 mo. LIBOR + 0.80%)	3.37[b]	8/07/2020	2,003
2,000	Hyundai Capital America[a]	2.75	9/18/2020	2,002
500	Nissan Motor Acceptance Corp.[a]	2.15	9/28/2020	497
1,000	Nissan Motor Acceptance Corp.[a]	2.55	3/08/2021	997
				8,396

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Retail (0.3%)			
$ 1,000	AutoZone, Inc.	4.00%	11/15/2020	$ 1,019
	Total Consumer, Cyclical			10,275
	Consumer, Non-cyclical (2.9%)			
	Biotechnology (0.7%)			
2,000	Amgen, Inc.	3.45	10/01/2020	2,028
	Food (0.9%)			
1,000	Kraft Heinz Foods Co. (3 mo. LIBOR + 0.57%)	3.12[b]	2/10/2021	998
1,815	Smithfield Foods, Inc.[a]	2.65	10/03/2021	1,790
				2,788
	Healthcare-Products (0.6%)			
1,700	Becton Dickinson & Co.	2.40	6/05/2020	1,699
	Pharmaceuticals (0.7%)			
2,000	Shire Acquisitions Investments Ireland Designated Activity Co.	1.90	9/23/2019	1,997
	Total Consumer, Non-cyclical			8,512
	Energy (6.4%)			
	Oil & Gas (1.5%)			
2,000	Antero Resources Corp.	5.13	12/01/2022	1,927
2,604	Murphy Oil Corp.	4.00	6/01/2022	2,624
				4,551
	Pipelines (4.9%)			
1,500	Andeavor Logistics, LP/Tesoro Logistics Finance Corp.	5.50	10/15/2019	1,507
2,000	Buckeye Partners, LP	4.15	7/01/2023	1,944
780	Columbia Pipeline Group, Inc.	3.30	6/01/2020	785
1,899	DCP Midstream Operating, LP[a]	5.35	3/15/2020	1,930
2,000	Enable Oklahoma Intrastate Transmission, LLC[a]	6.25	3/15/2020	2,045
1,285	Energy Transfer Operating, LP	7.50	10/15/2020	1,364
1,000	Midwest Connector Capital Co., LLC[a]	3.63	4/01/2022	1,025
2,000	NuStar Logistics, LP	4.80	9/01/2020	2,040
2,000	Rockies Express Pipeline, LLC[a]	5.63	4/15/2020	2,043
				14,683
	Total Energy			19,234
	Financial (19.8%)			
	Banks (11.8%)			
2,000	Bank of America Corp. (3 mo. LIBOR + 0.79%)	3.27[b]	3/05/2024	2,003
2,000	BB&T Corp.	5.25	11/01/2019	2,018
2,800	Capital One, N.A. (3 mo. LIBOR + 0.82%)	3.38[b]	8/08/2022	2,811
1,500	Citibank, N.A. (3 mo. LIBOR + 0.6%)[h]	3.12[b]	5/20/2022	1,503

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
$ 1,885	Citigroup, Inc. (3 mo. LIBOR + 0.69%)	3.27%[b]	10/27/2022	$ 1,888
2,000	Citizens Bank, N.A.	2.20	5/26/2020	1,997
2,470	Compass Bank	2.75	9/29/2019	2,470
825	Compass Bank (3 mo. LIBOR + 0.73%)	3.18[b]	6/11/2021	825
1,000	Goldman Sachs Group, Inc. (3 mo. LIBOR + 0.78%)	3.36[b]	10/31/2022	1,001
2,740	Huntington National Bank	2.40	4/01/2020	2,738
2,000	J.P. Morgan Chase & Co. (3 mo. LIBOR + 0.68%)	3.20[b]	6/01/2021	2,007
2,075	KeyCorp	2.90	9/15/2020	2,089
3,000	Manufacturers & Traders Trust Co. (3 mo. LIBOR + 0.64%)	3.16[b]	12/01/2021	2,993
2,000	Morgan Stanley (3 mo. LIBOR + 0.55%)	3.10[b]	2/10/2021	2,003
1,240	Regions Bank (3 mo. LIBOR + 0.38%)	2.70[b]	4/01/2021	1,237
2,000	SunTrust Bank (3 mo. LIBOR + 0.59%)	3.12[b]	5/17/2022	2,004
700	Synchrony Bank (3 mo. LIBOR + 0.63%)	2.95[b]	3/30/2020	701
3,000	Wells Fargo & Co.	2.55	12/07/2020	3,009
				35,297
	Diversified Financial Services (1.7%)			
2,000	Aircastle Ltd.	4.40	9/25/2023	2,079
2,000	Ally Financial, Inc.	4.13	3/30/2020	2,024
1,000	Cantor Fitzgerald, LP[a]	4.88	5/01/2024	1,032
				5,135
	Insurance (2.3%)			
3,000	Assurant, Inc. (3 mo. LIBOR + 1.25%)	3.58[b]	3/26/2021	3,000
1,350	Jackson National Life Global Funding[a]	2.60	12/09/2020	1,357
1,000	Metropolitan Life Global Funding I[a]	3.45	10/09/2021	1,024
535	Protective Life Global Funding[a]	2.70	11/25/2020	538
1,000	Protective Life Global Funding (3 mo. LIBOR + 0.52%)[a]	2.85[b]	6/28/2021	1,004
				6,923
	Investment Companies (0.8%)			
2,500	FS KKR Capital Corp.	4.00	7/15/2019	2,501
	Real Estate (1.2%)			
3,500	MOBR-04, LLC (LOC - Compass Bank)[i]	3.50	9/01/2024	3,500
	REITS (2.0%)			
2,000	Office Properties Income Trust	3.60	2/01/2020	2,007
1,169	Office Properties Income Trust	4.15	2/01/2022	1,187
500	Senior Housing Properties Trust	6.75	4/15/2020	505
1,333	SL Green Operating Partnership, LP	3.25	10/15/2022	1,351
765	Ventas Realty, LP / Ventas Capital Corp.	2.70	4/01/2020	766
				5,816
	Total Financial			59,172

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Industrial (3.4%)			
	Aerospace/Defense (0.3%)			
$ 1,000	Arconic, Inc.	5.40%	4/15/2021	$ 1,037
	Building Materials (1.0%)			
2,000	Vulcan Materials Co. (3 mo. LIBOR + 0.60%)	3.01[b]	6/15/2020	2,000
1,000	Vulcan Materials Co. (3 mo. LIBOR + 0.65%)	3.17[b]	3/01/2021	1,001
				3,001
	Electronics (0.3%)			
1,000	FLIR Systems, Inc.	3.13	6/15/2021	1,010
	Machinery-Diversified (0.9%)			
500	CNH Industrial Capital, LLC	3.38	7/15/2019	500
2,083	Wabtec Corp. (3 mo. LIBOR + 1.03%)	3.71[b]	9/15/2021	2,078
				2,578
	Transportation (0.7%)			
2,000	Ryder System, Inc.	2.50	5/11/2020	2,000
	Trucking & Leasing (0.2%)			
640	Penske Truck Leasing Co., LP / PTL Finance Corp.[a]	3.20	7/15/2020	643
	Total Industrial			10,269
	Technology (0.7%)			
	Semiconductors (0.7%)			
2,000	Broadcom, Inc.[a]	3.13	4/15/2021	2,014
	Utilities (1.2%)			
	Electric (1.2%)			
1,000	Dominion Energy, Inc.	2.96	7/01/2019	1,000
1,167	Mississippi Power Co. (3 mo. LIBOR + 0.65%)	2.96[b]	3/27/2020	1,167
1,444	SCANA Corp.	4.13	2/01/2022	1,476
	Total Utilities			3,643
	Total Corporate Obligations (cost: $123,051)			123,464
	EURODOLLAR AND YANKEE OBLIGATIONS (28.5%)			
	Basic Materials (2.7%)			
	Chemicals (1.4%)			
1,000	Braskem Finance Ltd.[a]	5.75	4/15/2021	1,050
1,000	Braskem Netherlands Finance B.V.[a]	3.50	1/10/2023	1,007
2,000	Syngenta Finance N.V.[a]	3.70	4/24/2020	2,015
				4,072

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Iron/Steel (0.5%)			
$ 500	ArcelorMittal	5.13%	6/01/2020	$ 512
1,000	Vale Overseas Ltd.	5.88	6/10/2021	1,052
				1,564
	Mining (0.8%)			
1,000	Glencore Funding, LLC[a]	4.13	3/12/2024	1,039
1,424	Teck Resources Ltd.	4.50	1/15/2021	1,450
				2,489
	Total Basic Materials			8,125
	Consumer, Cyclical (1.3%)			
	Airlines (0.8%)			
1,704	Air Canada Pass-Through Trust[a]	5.38	11/15/2022	1,760
646	Virgin Australia Pass-Through Trust[a]	5.00	4/23/2025	665
				2,425
	Auto Manufacturers (0.5%)			
1,390	Daimler Finance, N.A., LLC (3 mo. LIBOR + 0.45%)[a]	2.97[b]	2/22/2021	1,390
	Total Consumer, Cyclical			3,815
	Consumer, Non-cyclical (0.7%)			
	Household Products/Wares (0.4%)			
1,000	Reckitt Benckiser Treasury Services plc (3 mo. LIBOR + 0.56%)[a]	2.90[b]	6/24/2022	997
	Pharmaceuticals (0.3%)			
1,000	Bayer U.S. Finance II, LLC (3 mo. LIBOR + 0.63%)[a]	2.98[b]	6/25/2021	993
	Total Consumer, Non-cyclical			1,990
	Diversified (1.0%)			
	Holding Companies-Diversified (1.0%)			
2,000	CK Hutchison International II Ltd.[a]	2.25	9/29/2020	1,996
1,000	Hutchison Whampoa International Ltd.[a]	4.63	1/13/2022	1,051
	Total Diversified			3,047
	Energy (1.3%)			
	Oil & Gas (0.7%)			
2,000	Petroleos Mexicanos	6.38	2/04/2021	2,057
	Oil & Gas Services (0.6%)			
2,000	Schlumberger Finance Canada Ltd.[a]	2.20	11/20/2020	1,999
	Total Energy			4,056

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
	Financial (20.1%)			
	Banks (18.7%)			
$ 2,000	ABN AMRO Bank N.V. (3 mo. LIBOR + 0.41%)[a]	3.00%[b]	1/19/2021	$ 2,004
800	ANZ New Zealand International Ltd. (3 mo. LIBOR + 1.01%)[a]	3.59[b]	7/28/2021	810
1,000	Australia & New Zealand Banking Group Ltd. (3 mo. LIBOR + 0.40%)	2.92[b]	12/03/2019	1,001
1,250	Australia & New Zealand Banking Group Ltd. (3 mo. LIBOR + 0.46%)	2.99[b]	5/17/2021	1,254
1,000	Banco Santander S.A. (3 mo. LIBOR + 1.12%)	3.72[b]	4/12/2023	996
1,000	BBVA Bancomer S.A.[a]	7.25	4/22/2020	1,034
1,000	BBVA Bancomer S.A.[a]	6.50	3/10/2021	1,054
1,000	Canadian Imperial Bank of Commerce (3 mo. LIBOR + 3.15%)	2.89[b]	2/02/2021	1,002
3,000	Commonwealth Bank of Australia (3 mo. LIBOR + 0.83%)[a]	3.30[b]	9/06/2021	3,032
2,500	Cooperatieve Rabobank U.A. (3 mo. LIBOR + 0.48%)	3.06[b]	1/10/2023	2,490
2,000	Credit Agricole S.A. (3 mo. LIBOR + 1.02%)[a]	3.60[b]	4/24/2023	1,996
1,000	Credit Suisse Group Funding Guernsey Ltd.	2.75	3/26/2020	1,002
700	Credit Suisse Group Funding Guernsey Ltd. (3 mo. LIBOR + 2.29%)	4.89[b]	4/16/2021	722
3,000	Deutsche Bank AG (3 mo. LIBOR + 0.97%)	3.57[b]	7/13/2020	2,981
2,000	HSBC Holdings plc (3 mo. LIBOR + 0.60%)	3.12[b]	5/18/2021	2,002
2,000	ING Bank N.V. (3 mo. LIBOR + 0.88%)[a]	3.40[b]	8/15/2021	2,020
1,000	Mitsubishi UFJ Financial Group, Inc. (3 mo. LIBOR + 0.65%)	3.24[b]	7/26/2021	1,004
1,000	National Australia Bank Ltd. (3 mo. LIBOR + 0.71%)[a]	3.28[b]	11/04/2021	1,007
1,000	National Australia Bank Ltd. (3 mo. LIBOR + 0.60%)[a]	3.20[b]	4/12/2023	1,000
1,000	NatWest Markets plc[a]	3.63	9/29/2022	1,022
1,000	Nordea Bank Abp (3 mo. LIBOR + 0.94%)[a]	3.46[b]	8/30/2023	987
3,000	Royal Bank of Canada	1.88	2/05/2020	2,993
2,000	Royal Bank of Scotland Group plc	6.13	12/15/2022	2,159
2,000	Santander UK plc (3 mo. LIBOR + 0.62%)	3.14[b]	6/01/2021	2,005
2,000	Skandinaviska Enskilda Banken AB (3 mo. LIBOR + 0.43%)[a]	2.96[b]	5/17/2021	2,006
2,000	Stadshypotek AB	1.88	10/02/2019	1,997
1,000	Standard Chartered plc[a]	3.05	1/15/2021	1,009
2,000	Standard Chartered plc (3 mo. LIBOR + 1.15%)[a]	3.74[b]	1/20/2023	2,000
2,000	Suncorp-Metway Ltd.[a]	2.38	11/09/2020	2,001
1,500	Svenska Handelsbanken AB (3 mo. LIBOR + 1.15%)	3.47[b]	3/30/2021	1,524
500	Swedbank AB (3 mo. LIBOR + 0.70%)[a]	3.13[b]	3/14/2022	496

Principal Amount (000)	Security	Coupon Rate	Maturity	Market Value (000)
$ 2,000	Toronto-Dominion Bank[a]	2.25%	3/15/2021	$ 2,007
1,425	UBS Group Funding Switzerland AG[a]	3.00	4/15/2021	1,439
2,000	UBS Group Funding Switzerland AG (3 mo. LIBOR + 0.95%)[a]	3.47[b]	8/15/2023	2,005
2,000	Westpac Banking Corp. (3 mo. LIBOR + 0.85%)	3.37[b]	8/19/2021	2,025
				56,086
	Diversified Financial Services (0.7%)			
1,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust	5.00	10/01/2021	1,049
1,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust	4.45	12/16/2021	1,039
				2,088
	REITS (0.7%)			
1,000	Scentre Group Trust[a]	2.38	11/05/2019	999
1,000	Scentre Group Trust[a]	2.38	4/28/2021	997
				1,996
	Total Financial			60,170
	Industrial (1.4%)			
	Aerospace/Defense (0.3%)			
1,000	BAE Systems Holdings, Inc.[a]	2.85	12/15/2020	1,004
	Trucking & Leasing (1.1%)			
1,000	Avolon Holdings Funding Ltd.[a]	5.50	1/15/2023	1,069
2,000	Park Aerospace Holdings Ltd.[a]	5.25	8/15/2022	2,116
				3,185
	Total Industrial			4,189
	Total Eurodollar and Yankee Obligations (cost: $84,871)			85,392
	MUNICIPAL OBLIGATIONS (0.5%)			
	New Jersey (0.2%)			
500	EDA	3.80	6/15/2020	505
	Wisconsin (0.3%)			
1,000	Public Finance Auth. (LOC - Citizens Financial Group)	2.75	6/01/2020	997
	Total Municipal Obligations (cost: $1,500)			1,502
	U.S. TREASURY SECURITIES (0.8%)			
	Notes (0.8%)			
1,500	U.S. Treasury Note[h]	1.50	11/30/2019	1,496
1,000	U.S. Treasury Note[h]	1.63	8/31/2019	999
	Total U.S. Treasury Securities (cost: $2,493)			2,495
	Total Bonds (cost: $295,726)			297,230

Number of Shares	Security			Market Value (000)
	EQUITY SECURITIES (0.4%)			
	PREFERRED STOCKS (0.4%)			
	Communications (0.4%)			
	Telecommunications (0.4%)			
1,000	Centaur Funding Corp., 9.08%(a) (cost: $1,065)			$ 1,055
	Total Equity Securities (cost: $1,065)			1,055

Principal Amount (000)		Coupon Rate	Maturity	
	MONEY MARKET INSTRUMENTS (0.7%)			
	COMMERCIAL PAPER (0.7%)			
$ 2,150	Energy Transfer Partners[a] (cost: $2,150)	2.95%	7/01/2019	2,150

Number of Shares		
	GOVERNMENT & U.S. TREASURY MONEY MARKET FUNDS (0.0%)	
29,907	State Street Institutional Treasury Money Market Fund Premier Class, 2.17%[j] (cost: $30)	30
	Total Money Market Instruments (cost: $2,180)	2,180
	Total Investments (cost: $298,971)	**$300,465**

($ in 000s)	VALUATION HIERARCHY			
Assets	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**Total**
Bonds:				
Asset-Backed Securities	$ –	$ 39,538	$–	$ 39,538
Bank Loans	–	16,958	–	16,958
Collateralized Loan Obligations	–	14,116	–	14,116
Commercial Mortgage Securities	–	13,765	–	13,765
Corporate Obligations	–	123,464	–	123,464
Eurodollar and Yankee Obligations	–	85,392	–	85,392
Municipal Obligations	–	1,502	–	1,502
U.S. Treasury Securities	2,495	–	–	2,495
Equity Securities:				
Preferred Stocks	–	1,055	–	1,055
Money Market Instruments:				
Commercial Paper	–	2,150	–	2,150
Government & U.S. Treasury Money Market Funds	30	–	–	30
Total	$2,525	$297,940	$–	$300,465

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 36.5% of net assets at June 30, 2019.

CATEGORIES AND DEFINITIONS

Eurodollar and Yankee obligations – Eurodollar obligations are U.S. dollar-denominated instruments that are issued outside the U.S. capital markets by foreign corporations and financial institutions and by foreign branches of U.S. corporations and financial institutions. Yankee obligations are dollar-denominated instruments that are issued by foreign issuers in the U.S. capital markets.

Asset-backed and commercial mortgage-backed securities – Asset-backed securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets. Commercial mortgage-backed securities reflect an interest in, and are secured by, mortgage loans on commercial real property. These securities represent ownership in a pool of loans and are divided into pieces (tranches) with varying maturities. The stated final maturity of such securities represents the date the final principal payment will be made for the last outstanding loans in the pool. The weighted average life is the average time for principal to be repaid, which is calculated by assuming prepayment rates of the underlying loans. The weighted average life is likely to be substantially shorter than the stated final maturity as a result of scheduled principal payments and unscheduled principal prepayments. Stated interest rates on commercial mortgage-backed securities may change slightly over time as underlying mortgages paydown.

Collateralized loan obligations (CLOs) – Collateralized loan obligations are securities issued by entities that are collateralized by a pool of loans. CLOs are issued in multiple classes (tranches), and can be equity or debt with specific adjustable or fixed interest rates, and varying maturities. The cash flow from the underlying loans is used to pay off each tranche separately within the debt, or senior tranches. Equity, or subordinated tranches, typically are not paid a cash flow but do offer ownership in the CLO itself in the event of a sale.

Commercial paper – Consists of short-term unsecured promissory notes with maturities ranging from one to 270 days, issued mainly by corporations. Commercial paper is usually purchased at a discount and matures at par value; however, it also may be interest-bearing. Rate represents an annualized yield at time of purchase or coupon rate, if applicable.

PORTFOLIO ABBREVIATIONS AND DESCRIPTIONS

EDA	Economic Development Authority
LIBOR	London Interbank Offered Rate
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.

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

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

SPECIFIC NOTES

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

(b) Variable-rate security – interest rate is adjusted periodically. The interest rate disclosed represents the rate at June 30, 2019.

(c) Bank loans (loans) – are not registered under the Securities Act of 1933. The loans contain certain restrictions on resale and cannot be sold publicly. The stated interest rates represent the all in interest rate of all contracts within the loan facilities. The interest rates are adjusted periodically, and the rates disclosed represent the current rate at June 30, 2019. The weighted average life of the loans are likely to be shorter than the stated final maturity date due to mandatory or optional prepayments. The loans are deemed liquid by USAA Asset Management Company, under liquidity guidelines approved by USAA Mutual Funds Trust's Board of Trustees, unless otherwise noted as illiquid.

(d) Security or a portion of the security purchased on a delayed-delivery and/or when-issued basis.

(e) Securities issued by government-sponsored enterprises are supported only by the right of the government-sponsored enterprise to borrow from the U.S. Treasury, the discretionary authority of the

U.S. government to purchase the government-sponsored enterprises' obligations, or by the credit of the issuing agency, instrumentality, or corporation, and are neither issued nor guaranteed by the U.S. Treasury.

(f) Security is interest only. Interest-only commercial mortgage-backed securities (CMBS IOs) represent the right to receive only the interest payments on an underlying pool of commercial mortgage loans. The purchase yield reflects an anticipated yield based upon interest rates at the time of purchase and the estimated timing and amount of future cash flows. Coupon rates after purchase vary from period to period. The principal amount represents the notional amount of the underlying pool on which current interest is calculated. CMBS IOs are backed by loans that have various forms of prepayment protection, which include lock-out provisions, yield maintenance provisions, and prepayment penalties. This serves to moderate their prepayment risk. CMBS IOs are subject to default-related prepayments that may have a negative impact on yield.

(g) Stated interest rates may change slightly over time as underlying mortgages paydown.

(h) At June 30, 2019, the security, or a portion thereof, was segregated to cover delayed-delivery and/or when-issued purchases.

(i) Variable-rate demand notes (VRDNs) – Provide the right to sell the security at face value on either that day or within the rate-reset period. VRDNs will normally trade as if the maturity is the earlier put date, even though stated maturity is longer. The interest rate is reset on the put date at a stipulated daily, weekly, monthly, quarterly, or other specified time interval to reflect current market conditions. These securities do not indicate a reference rate and spread in their description.

(j) 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 (cost of $298,971)	$300,465
Cash	30
Receivables:	
Capital shares sold	165
USAA Asset Management Company (Note 7)	6
Interest	1,773
Securities sold	45
Total assets	302,484
LIABILITIES	
Payables:	
Securities purchased	2,736
Capital shares redeemed	259
Dividends on capital shares	24
Accrued management fees	70
Accrued transfer agent's fees	11
Other accrued expenses and payables	75
Total liabilities	3,175
Net assets applicable to capital shares outstanding	$299,309
NET ASSETS CONSIST OF:	
Paid-in capital	$301,316
Accumulated loss	(2,007)
Net assets applicable to capital shares outstanding	$299,309
Net asset value, redemption price, and offering price per share:	
Fund Shares (net assets of $279,854/27,919 capital shares outstanding, no par value)	$ 10.02
Institutional Shares (net assets of $14,420/1,438 capital shares outstanding, no par value)	$ 10.03
R6 Shares (net assets of $5,035/503 capital shares outstanding, no par value)	$ 10.02

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS
(IN THOUSANDS)

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

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $3)	$ 42
Interest	4,882
Total income	4,924
EXPENSES	
Management fees	414
Administration and servicing fees:	
Fund Shares	211
Institutional Shares	6
R6 Shares	1
Transfer agent's fees:	
Fund Shares	139
Institutional Shares	6
Custody and accounting fees:	
Fund Shares	61
Institutional Shares	3
R6 Shares	1
Postage:	
Fund Shares	10
Shareholder reporting fees:	
Fund Shares	10
Trustees' fees	18
Registration fees:	
Fund Shares	12
Institutional Shares	12
R6 Shares	10
Professional fees	41
Other	9
Total expenses	964

Expenses reimbursed:	
Institutional Shares	$ (13)
R6 Shares	(11)
Net expenses	940
NET INVESTMENT INCOME	3,984
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	
Net realized gain	293
Change in net unrealized appreciation/(depreciation)	3,792
Net realized and unrealized gain	4,085
Increase in net assets resulting from operations	$8,069

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	$ 3,984	$ 6,839
Net realized gain on investments	293	72
Change in net unrealized appreciation/(depreciation) of investments	3,792	(2,666)
Increase in net assets resulting from operations	8,069	4,245
DISTRIBUTIONS TO SHAREHOLDERS FROM DISTRIBUTABLE EARNINGS:		
Fund Shares	(3,756)	(6,578)
Institutional Shares	(167)	(141)
R6 Shares	(73)	(120)
Distributions to shareholders	(3,996)	(6,839)
NET DECREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS (NOTE 6)		
Fund Shares	(7,766)	(44,176)
Institutional Shares	5,833	1,374
R6 Shares	(13)	(70)
Total net decrease in net assets from capital share transactions	(1,946)	(42,872)
Net increase (decrease) in net assets	2,127	(45,466)
NET ASSETS		
Beginning of period	297,182	342,648
End of period	$299,309	$297,182

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 Ultra Short-Term Bond 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 high current income consistent with preservation of principal.

The Fund consists of three classes of shares: Ultra Short-Term Bond Fund Shares (Fund Shares), Ultra Short-Term Bond Fund Institutional Shares (Institutional Shares), and Ultra Short-Term Bond Fund R6 Shares (R6 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). The R6 Shares are available for investment by participants in employer-sponsored retirement plans where a financial intermediary provides retirement recordkeeping services to plan participants and to endowment funds and foundations.

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. 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.

2. Investments in open-end investment companies, commingled, or other funds, other than exchange-traded funds (ETFs), are valued at their net asset value (NAV) at the end of each business day and are categorized in Level 1 of the fair value hierarchy.

3. 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.

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

   Fair value methods used by the Manager include, but are not limited to, obtaining market quotations from secondary pricing services, broker-dealers, other pricing services, or widely used quotation systems. General factors considered in determining the fair value of securities include fundamental analytical data, the nature and duration of any restrictions on disposition of the securities, evaluation of credit quality, and an evaluation of the forces that influenced the market in which the securities are purchased and sold. Level 2 securities include debt securities that are valued using market inputs and other observable factors deemed by the Manager to appropriately reflect fair value.

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

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

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

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

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

C. **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. Interest income is recorded daily on the accrual basis. Premiums and discounts are amortized over the life of the respective securities, using the effective yield method for long-term securities and the straight-line method for short-term securities.

D. **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.

E. **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 or for delayed draws on loans 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 receives a commitment fee for delayed draws on loans. 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 and delayed-draw loan commitments 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.

F. **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.

G. **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 $1,000, which represents 0.4% 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.

Net investment income is accrued daily as dividends and distributed to shareholders monthly. Distributions of 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 net capital loss carryforwards of $3,782,000, for federal income tax purposes as shown in the table below. It is unlikely that the Board will authorize a distribution of capital gains realized in the future until the capital loss carryforwards have been used.

Capital Loss Carryforwards	
Tax Character	
(No Expiration)	Balance
Short-Term	$2,713,000
Long-Term	1,069,000
Total	$3,782,000

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 Ultra Short-Term Bond Fund	$1,857,000	$363,000	$1,494,000

(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 $75,702,000 and $72,317,000, respectively.

In accordance with affiliated transaction procedures approved by the Board, purchases and sales of security transactions were executed between the Fund and affiliated USAA Funds at the then-current market price with no brokerage commissions incurred. The affiliated transactions executed by the

Fund, including short-term securities, during the six-month period ended June 30, 2019 were as follows:

Purchases	Sales	Net Realized Gain (Loss)
$1,004,000	$–	$–

(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 had no securities on loan.

(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	4,544	$ 45,288	10,484	$ 104,043
Shares issued from reinvested dividends	364	3,633	644	6,397
Shares redeemed	(5,686)	(56,687)	(15,577)	(154,616)
Net decrease from capital share transactions	(778)	$ (7,766)	(4,449)	$ (44,176)
Institutional Shares:				
Shares sold	1,063	$ 10,602	1,055	$ 10,468
Shares issued from reinvested dividends	17	165	14	129
Shares redeemed	(495)	(4,934)	(929)	(9,223)
Net increase from capital share transactions	585	$ 5,833	140	$ 1,374
R6 Shares:				
Shares sold	–*	$ –*	1	$ 13
Shares issued from reinvested dividends	–*	–*	–*	1
Shares redeemed	(1)	(13)	(8)	(84)
Net decrease from capital share transactions	(1)	$ (13)	(7)	$ (70)

*Represents less than 500 shares or $500.

(7) TRANSACTIONS WITH MANAGER

Management fees – The Manager provides investment management services to the Fund pursuant to an Advisory Agreement. Under this agreement, the Manager is responsible for managing the business and affairs of the Fund, and for directly managing the day-to-day investment of the Fund's assets, subject to the authority of and supervision by the Board. For the six-month period ended June 30, 2019, the Fund had no subadviser(s).

The investment management fee for the Fund is comprised of a base fee and a performance adjustment. The Fund's base fee is accrued daily and paid monthly at an annualized rate of 0.24% of the Fund's average daily net assets.

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

The performance period for each class consists of the current month plus the previous 35 months. The performance period for the R6 Shares commenced on March 1, 2017, and includes the performance of the Fund Shares for periods prior to March 1, 2017. The following table is utilized to determine the extent of the performance adjustment:

Over/Under Performance Relative to Index (in basis points)[1]	Annual Adjustment Rate (in basis points)[1]
+/– 20 to 50	+/–4
+/– 51 to 100	+/–5
+/– 101 and greater	+/–6

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

Each class' annual performance adjustment rate is multiplied by the average daily net assets of each respective class over the entire performance period, which is then multiplied by a fraction, the numerator of which is the number of days in the month and the denominator of which is 365 (366 in leap years). The resulting amount is then added to (in the case of overperformance), or subtracted from (in the case of underperformance) the base fee.

Under the performance fee arrangement, each class will pay a positive performance fee adjustment for a performance period whenever the class outperforms the Lipper Ultra Short Obligations Funds Index over that period, even if the class had overall negative returns during the performance period.

For the six-month period ended June 30, 2019, the Fund incurred management fees, paid or payable to the Manager, of $414,000, which included a performance adjustment for the Fund Shares, Institutional Shares, and R6 Shares of $55,000, $1,000, and $1,000, respectively. For the Fund Shares, Institutional Shares, and R6 Shares, the performance adjustments were 0.04%, 0.01%, and 0.02%, respectively. **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, 0.10% of average daily net assets of the Institutional Shares, and 0.05% of average daily net assets of the R6 Shares. For the six-month period ended June 30, 2019, the Fund Shares, Institutional Shares, and R6 Shares incurred administration and servicing fees, paid or payable to the Manager, of $211,000, $6,000, and $1,000, 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 $1,000 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 Institutional Shares and R6 Shares to 0.55% and 0.39%, respectively, of their average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and will reimburse the Institutional Shares and R6 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 Institutional Shares and

R6 Shares of $13,000 and $11,000, respectively, of which $6,000 was receivable from the Manager.

Transfer agent's fees – SAS, an affiliate of the Manager, provides transfer agent services to the Fund Shares based on an annual charge of $25.50 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 and R6 Shares are paid monthly based on a fee accrued daily at an annualized rate of 0.10% of the Institutional Shares' and 0.01% of the R6 Shares' average daily net assets, plus out-of-pocket expenses. For the six-month period ended June 30, 2019, the Fund Shares, Institutional Shares, and R6 Shares incurred transfer agent's fees, paid or payable to SAS, of $139,000, $6,000, and less than $500, 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 Manager is indirectly wholly owned by USAA, a large, diversified financial services institution. At June 30, 2019, USAA and its affiliates owned 501,000 R6 Shares, which represents 99.7% of the R6 Shares outstanding, and 1.7% of the Fund's total outstanding shares.

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

(9) UPCOMING REGULATORY MATTERS

In October 2016, the U.S. Securities and Exchange Commission (SEC) issued Final Rule Release No. 33-10233, *Investment Company Liquidity Risk*

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

(10) RECENT ACCOUNTING PRONOUNCEMENTS

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

ASU 2018-13, Fair Value Measurement

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

ASU 2017-08, Premium Amortization of Purchased Callable Debt Securities

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

(11) SUBSEQUENT EVENT NOTE

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

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

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

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

Effective July 1, 2019, 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	2017	2016	2015	2014
Net asset value at beginning of period	$ 9.89	$ 9.97	$ 9.98	$ 9.94	$ 10.07	$ 10.10
Income (loss) from investment operations:						
Net investment income	.13	.22	.16	.13	.13	.13
Net realized and unrealized gain (loss)	.13	(.08)	(.01)	.04	(.13)	(.02)
Total from investment operations	.26	.14	.15	.17	(.00)[a]	.11
Less distributions from:						
Net investment income	(.13)	(.22)	(.16)	(.13)	(.13)	(.13)
Realized capital gains	–	–	–	(.00)[a]	(.00)[a]	(.01)
Total distributions	(.13)	(.22)	(.16)	(.13)	(.13)	(.14)
Net asset value at end of period	$ 10.02	$ 9.89	$ 9.97	$ 9.98	$ 9.94	$ 10.07
Total return (%)*	2.66	1.40	1.51	1.73	.01	1.05
Net assets at end of period (000)	$279,854	$283,769	$330,442	$372,155	$426,994	$470,933
Ratios to average daily net assets:**						
Expenses (%)[b]	.64[c]	.60	.58	.61	.59	.58
Net investment income (%)	2.67[c]	2.19	1.60	1.30	1.28	1.27
Portfolio turnover (%)	25	48	58[d]	28	20	31

* 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 $283,124,000.

(a) Represents less than $0.01 per share.

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

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

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

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	$ 9.89	$ 9.97	$ 9.98	$ 9.94	$ 10.07	$ 10.10
Income (loss) from investment operations:						
Net investment income	.14	.22	.15	.13	.13	.13
Net realized and unrealized gain (loss)	.14	(.08)	(.01)	.04	(.13)	(.02)
Total from investment operations	.28	.14	.14	.17	.00[a]	.11
Less distributions from:						
Net investment income	(.14)	(.22)	(.15)	(.13)	(.13)	(.13)
Realized capital gains	–	–	–	(.00)[a]	(.00)[a]	(.01)
Total distributions	(.14)	(.22)	(.15)	(.13)	(.13)	(.14)
Net asset value at end of period	$ 10.03	$ 9.89	$ 9.97	$ 9.98	$ 9.94	$ 10.07
Total return (%)*	2.81	1.45	1.44	1.69	.04	1.10
Net assets at end of period (000)	$14,420	$8,433	$7,115	$18,710	$22,454	$69,297
Ratios to average daily net assets:**						
Expenses (%)[b]	.55[c]	.55	.64[d]	.66	.57	.53
Expenses, excluding reimbursements (%)[b]	.76[c]	.77	.75	.66	.57	.53
Net investment income (%)	2.76[c]	2.25	1.51	1.25	1.32	1.33
Portfolio turnover (%)	25	48	58[e]	28	20	31

* 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 $12,217,000.

(a) Represents less than $0.01 per share.

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

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

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

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

R6 SHARES (unaudited)

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

	Six-Month Period Ended June 30, 2019	Year Ended December 31, 2018	Period Ended December 31, 2017***
Net asset value at beginning of period	$ 9.88	$ 9.97	$ 9.98
Income (loss) from investment operations:			
Net investment income	.14	.24	.15
Net realized and unrealized gain (loss)	.14	(.09)	(.01)
Total from investment operations	.28	.15	.14
Less distributions from:			
Net investment income	(.14)	(.24)	(.15)
Net asset value at end of period	$10.02	$ 9.88	$ 9.97
Total return (%)*	2.89	1.51	1.42
Net assets at end of period (000)	$5,035	$4,980	$5,091
Ratios to average daily net assets:**			
Expenses (%)(a)	.39(b)	.39	.39(b)
Expenses, excluding reimbursements (%)(a)	.84(b)	.69	1.05(b)
Net investment income (%)	2.92(b)	2.41	1.81(b)
Portfolio turnover (%)	25	48	58

* 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 $5,013,000.

*** R6 Shares commenced operations on March 1, 2017.

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

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

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	$1,026.60	$3.22
Hypothetical (5% return before expenses)	1,000.00	1,021.62	3.21
Institutional Shares			
Actual	1,000.00	1,028.10	2.77
Hypothetical (5% return before expenses)	1,000.00	1,022.07	2.76
R6 Shares			
Actual	1,000.00	1,028.90	1.96
Hypothetical (5% return before expenses)	1,000.00	1,022.86	1.96

*Expenses are equal to the annualized expense ratio of 0.64% for Fund Shares, 0.55% for Institutional Shares, and 0.39% for R6 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 2.66% for Fund Shares, 2.81% for Institutional Shares, and 2.89% for R6 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 Funds[1] as well as the USAA's Global Multi-Asset team servicing the Cornerstone Funds[2], Target Retirement Funds[3], Global Managed Volatility Fund, Managed Allocation Fund, and Target Managed Allocation Fund, are expected to continue to do so Post-Transaction as employees of Victory Capital, if they choose to become employees of Victory Capital. Post-Transaction, the investment teams for the Funds, other than the Fixed Income Funds, will be replaced or augmented.
- With the exception of the USAA S&P 500 Index Fund, USAA Extended Market Index Fund, and USAA Nasdaq-100 Index Fund, which will be advised by Victory Capital through its Victory Solutions platform, Victory Capital proposes that the same subadvisers be retained Post-Transaction, although Victory Capital may change the allocation to a particular subadviser Post-Transaction. No changes are expected to the portfolio managers of the subadvisers who will serve as subadvisers Post-Transaction.

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

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

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

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

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

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 Funds[4], Cornerstone Funds, and Target Retirement Funds. The Board noted that the Equity Funds or portions of Equity Funds currently managed by AMCO would be replaced with portfolio managers from Victory Capital.

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

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

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

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

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

Fees to be paid to Victory Capital and expenses of the Funds – The Board considered that it had reviewed each Fund's existing advisory fee rate and computation method for calculating such fees at the 2018 15(c) Meeting. The Board considered that the New Advisory Agreement does not change any Fund's advisory fee rate or the computation method for calculating such fees, except that Victory Capital, subject to Board approval, may in the future use a single designated share class to calculate the performance adjustment and apply the resulting performance adjustment across each other class of shares of the Fund. The Board considered that the use of a single designated class to calculate the performance adjustment for each other class of shares of the Fund could mean that shareholders of a class other than the class used to measure the performance adjustment may pay a performance adjustment that is higher or lower than if the adjustment were calculated on a class by class basis, primarily due to the impact of differences in the fees and expenses between share classes on performance. The Board considered that the New Advisory Agreement stipulates that the period for measuring performance for calculating a Fund's performance adjustment begins on the date that Victory Capital begins managing the Fund; therefore, no performance adjustments will be made for the first twelve months of the New Advisory Agreement, consistent with applicable regulations. The Board also considered Victory Capital's contractual commitment under the expense limitation agreement (“ELA”) to waive fees and/or reimburse expenses for at least two years after the closing of the Transaction, so that each Fund’s annual expense ratio (excluding acquired fund fees and expenses, any performance adjustment to a Fund’s advisory fee, interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of such Fund’s business) does not exceed the levels reflected in each Fund’s most recent audited financial statements at the time the Transaction closes (or the levels of AMCO’s then-current expense caps, if applicable), excluding the impact of any performance adjustment to a Fund’s advisory fee. The Board considered that the ELA permits Victory Capital to recoup advisory fees waived and expenses reimbursed for up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limitation in effect at the time of: (1) the original waiver or expense reimbursement; or (2) recoupment. The Board also considered that Victory Capital and AMCO had represented to the Board that they will use their best efforts to ensure that they and their respective affiliates do not take any action that imposes an “unfair burden” on the Funds as a result of the Transaction or as a result of any express or implied terms, conditions or understandings applicable to the Change of Control Event, for so long as the requirements of Section 15(f) of the 1940 Act apply. The Board also considered a comparison of the proposed advisory fees to be paid by each Fund to the advisory fees paid by funds and other accounts managed by Victory Capital deemed to be comparable to the Fund in terms of investment objectives and strategies. The Board considered that, with few exceptions, mostly involving weighted average fees for separate accounts, the advisory fees to be paid by the Funds were lower than the fees paid by these other funds and accounts. The Board concluded that the retention of Victory Capital was unlikely to impose an unfair burden on the Funds because, after the Transaction, none of AMCO, Victory Capital, VCA, or any of their respective affiliates, would be entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of the Funds (other than ordinary fees for bona fide principal underwriting services), or (ii) from the Funds or their shareholders for other than bona fide investment advisory or other services. Based on its review, the Board determined, with respect to each Fund, that Victory Capital’s advisory fee is fair and reasonable.

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

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

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;

[1]At an in-person meeting held on January 15, 2019, the Board, including the Independent Trustees, approved a new investment advisory agreement between the Trust, on behalf of the Fund, and Victory Capital Management Inc. ("Victory Capital"). 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.

(ii) information concerning the services rendered to the Fund, as well as information regarding the Manager's revenues and costs of providing services to the Fund and compensation paid to affiliates of the Manager; and (iii) information about the Manager's operations and personnel. Prior to voting, the Independent Trustees reviewed the proposed 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 continuance of the Advisory Agreement with respect to the Fund. The Independent Trustees also reviewed the proposed continuance 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 and its committees' consideration of the Advisory Agreement included certain information previously received at such meetings.

ADVISORY AGREEMENT

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

Nature, Extent, and Quality of Services – In considering the nature, extent, and quality of the services provided by the Manager under the Advisory Agreement, the Board reviewed information provided by the Manager relating to its operations and personnel. The Board also took into account its knowledge of the Manager's management and the quality of the 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," was also considered. The Manager's role in coordinating the activities of the Fund's other service providers also was considered. The Board also considered the Manager's risk management processes. The Board considered the Manager's financial condition and that it had the financial wherewithal to continue to provide the same scope and high quality of services under the Advisory Agreement. In reviewing the Advisory Agreement, the Board focused on the experience, resources, and strengths of the Manager and its affiliates in managing the Fund, as well as the other funds in the Trust.

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

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

In considering the Fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Trustees also reviewed various comparative data provided to them in connection with their consideration of the renewal of the Advisory Agreement, including, among other information, a comparison of the Fund's average annual total return with its Lipper index and with that of other mutual funds deemed to be in its peer group by the independent third party in its report (the "performance universe"). The Fund's performance universe consisted of the Fund and all retail and institutional open-end investment companies with the same classification/objective as the Fund regardless of asset size or primary channel of distribution. This comparison indicated that, among other data, the Fund's performance was above the average of its performance universe and below its Lipper index for the one-year period ended December 31, 2018, and was above the average of its performance universe and its Lipper index for the three- and five-year periods ended December 31, 2018. The Board also noted that the Fund's percentile performance ranking was in the bottom 50% of its performance universe for the one-year period ended December 31, 2018, was in the top 40% of its performance universe for the three-year period ended December 31, 2018, and was in the top 30% of its performance universe for the five-year period ended December 31, 2018. The Board took into account management's discussion of the Fund's performance, including the impact of market conditions on the Fund's recent performance.

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

Economies of Scale – The Board considered whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in any economies of scale. The Board took into account management's discussions of the 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 current Advisory Agreement with the Manager, among others: (i) the Manager has demonstrated that it possesses the capability and resources to perform the duties required of it under the Advisory Agreement; (ii) the Manager maintains an appropriate compliance program; (iii) the performance of the Fund is reasonable in relation to the performance of funds with a similar investment strategy and to relevant indices; (iv) the Fund's advisory expenses are reasonable in relation to the services to be provided by the Manager; and (v) the Manager and its affiliates' level of profitability from their relationship with the Fund is reasonable in light of the nature and high quality of services provided by the Manager and the type of fund. Based on its conclusions, the Board determined that the continuation of the Advisory Agreement would be in the best interests of the Fund and its shareholders.

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.**

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