



MUTUAL FUNDS

NOVEMBER 30, 2019

Semi Annual Report

USAA Cornerstone Moderately Conservative Fund

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

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

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

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Funds Trust

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

IRA DISTRIBUTION WITHHOLDING DISCLOSURE

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

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

For more specific information, please consult your tax adviser.

Investment Objective & Portfolio Holdings:

The Fund's investment objective is to seek current income with a secondary focus on capital appreciation.

Top 10 Holdings*

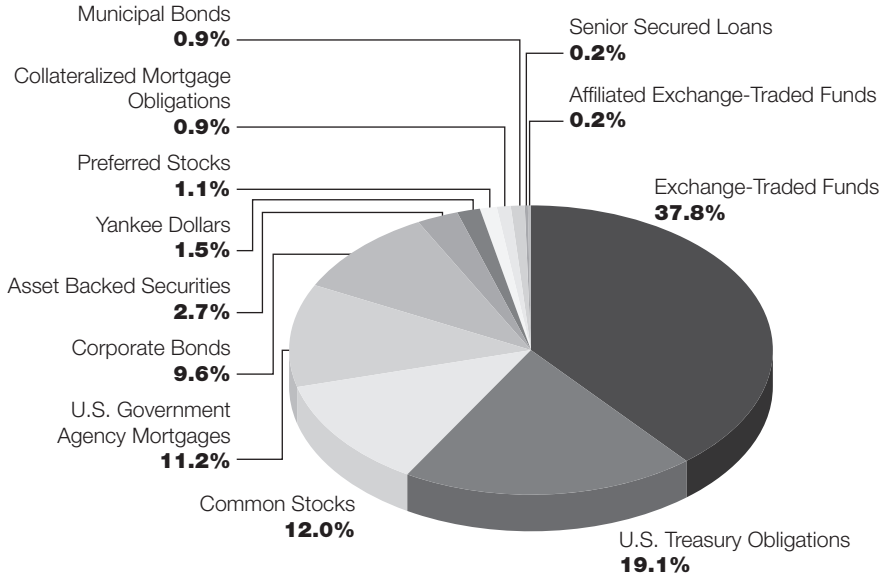
11/30/19

(% of Net Assets)

<i>U.S. Treasury Note, 1.63%, 11/15/22</i>	3.4%
<i>iShares Core S&P 500 ETF</i>	3.4%
<i>U.S. Treasury Note, 1.13%, 2/28/21</i>	3.2%
<i>Vanguard FTSE Europe ETF</i>	2.9%
<i>Schwab Fundamental International Large Co. Index ETF</i>	2.9%
<i>U.S. Treasury Bond, 3.13%, 8/15/44</i>	2.8%
<i>U.S. Treasury Note, 2.25%, 11/15/25</i>	2.7%
<i>Vanguard Total Bond Market ETF</i>	2.4%
<i>iShares MSCI Canada ETF</i>	2.4%
<i>Schwab Fundamental Emerging Markets Large Co. Index ETF</i>	2.0%

* Does not include and short-term investments purchased with cash collateral from securities loaned. Refer to the Schedule of Portfolio Investments for a complete list of securities.

**Asset Allocation*:
11/30/19
(% of Net Assets)**



* Does not include short-term investments purchased with cash collateral from securities loaned. Percentages are of the net assets of the Fund and may not equal 100%.

USAA Cornerstone Moderately Conservative Fund

November 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
Asset Backed Securities (2.7%)		
Americredit Automobile Receivables Trust, Series 2018-1, Class C, 3.50%, 1/18/24, Callable 4/18/22 @ 100	\$ 480	\$ 493
Americredit Automobile Receivables Trust, Series 2018-2, Class A3, 3.15%, 3/20/23, Callable 8/18/22 @ 100	143	144
Avis Budget Rental Car Funding AESOP LLC, Series 2014-2A, Class A, 2.50%, 2/20/21, Callable 2/20/20 @ 100 (a)	304	304
BCC Funding Corp. XVI LLC, Series 2019-1A, Class A2, 2.48%, 8/20/24, Callable 9/20/23 @ 100 (a)	1,500	1,501
Credit Acceptance Auto Loan Trust, Series 2018-3A, Class A, 3.55%, 8/15/27, Callable 10/15/21 @ 100 (a)	329	335
Element Rail Leasing I LLC, Series 2014-1A, Class A2, 3.67%, 4/19/44, Callable 4/19/21 @ 100 (a)	240	242
Evergreen Credit Card Trust, Series 2019-2, Class A, 1.90%, 9/15/24 (a)	175	175
Exeter Automobile Receivables Trust, Series 2019-2A, Class C, 3.30%, 3/15/24, Callable 7/15/22 @ 100 (a)	215	219
Goal Capital Funding Trust, Series 2005-2, Class A4, 2.11%(LIBOR03M+20bps), 8/25/44, Callable 8/25/20 @ 100 (b)	476	460
Hertz Vehicle Financing II LP, Series 2019-3A, Class A, 2.67%, 12/26/25 (a)	192	192
HPEFS Equipment Trust, Series 2019-1A, Class C, 2.49%, 9/20/29, Callable 7/20/22 @ 100 (a)	97	97
Navient Student Loan Trust, Series 2015-2, Class B, 3.21%(LIBOR01M+150bps), 8/25/50, Callable 3/25/28 @ 100 (b)	200	196
NP SPE II LLC, Series 2017-1A, Class A1, 3.37%, 10/21/47, Callable 10/20/27 @ 100 (a)	82	84
OSCAR US Funding Trust IX LLC, Series 2018-2A, Class A4, 3.63%, 9/10/25 (a)	560	578
SCF Equipment Leasing LLC, Series 2017-2A, Class A, 3.41%, 12/20/23, Callable 12/20/19 @ 100 (a)	143	144
Synchrony Credit Card Master Note Trust, Series 2016-2, Class C, 2.95%, 5/15/24	320	322
Trinity Rail Leasing LLC, Series 2019-2A, Class A1, 2.39%, 10/18/49, Callable 10/17/20 @ 100 (a)	500	493
Westlake Automobile Receivables Trust, Series 2018-2A, Class D, 4.00%, 1/16/24, Callable 9/15/21 @ 100 (a)	350	359
Total Asset Backed Securities (Cost \$6,282)		6,338

Collateralized Mortgage Obligations (0.9%)		
Banc of America Commercial Mortgage Trust, Series 2006-3, Class AM, 5.86%, 7/10/44 (c)	155	47
Banc of America Commercial Mortgage Trust, Series 2008-1, Class AJ, 6.79%, 2/10/51 (c)	26	27
BANK, Series 2019-BNK20, Class A3, 3.01%, 9/15/61	250	259
Barclays Commercial Mortgage Trust, Series 2019-C5, Class ASB, 2.99%, 11/15/52	167	172
Benchmark Mortgage Trust, Series 2019-B14, Class A5, 3.05%, 12/15/61	286	297
BTH Mortgage-Backed Securities Trust, Series 2018-21, Class A, 4.28%(LIBOR01M+250bps), 10/7/21 (a) (b)	320	321

See notes to financial statements.

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Security Description	Shares or Principal Amount	Value
COMM Mortgage Trust, Series 2019-GC44, Class ASB, 2.87%, 8/15/57 (d)	\$ 215	\$ 221
Credit Suisse Commercial Mortgage Trust, Series 2007-C1, Class AMFL, 1.95%(LIBOR01M+19bps), 2/15/40 (b)	4	4
CSAIL Commercial Mortgage Trust, Series 2016-C6, Class XA, 2.06%, 1/15/49 (c) (e)	2,464	211
DBJPM Mortgage Trust, Series 2016-SFC, Class A, 2.83%, 8/10/36 (a)	500	509
GE Commercial Mortgage Corp., Series 2007-C1, Class AM, 5.61%, 12/10/49 (c) . .	57	54
UBS Commercial Mortgage Trust, Series 2012-C1, Class XA, 2.26%, 5/10/45 (a) (c) (e)	2,517	97
Total Collateralized Mortgage Obligations (Cost \$2,258)		2,219

Common Stocks (12.0%)

Communication Services (1.3%):		
AT&T, Inc.	22,289	833
CenturyLink, Inc.	6,662	97
Comcast Corp., Class A	16,748	739
Discovery, Inc., Class C (f)	2,632	80
InterActive Corp. (f)	323	72
Liberty Media Corp-Liberty SiriusXM, Class A (f)	1,655	81
Omnicom Group, Inc.	1,500	119
Sirius XM Holdings, Inc.	17,293	121
Take-Two Interactive Software, Inc. (f)	639	77
Twitter, Inc. (f)	1,806	56
Verizon Communications, Inc.	7,175	432
Viacom, Inc., Class B	2,900	70
		<u>2,777</u>

Consumer Discretionary (1.2%):		
AutoZone, Inc. (f)	83	98
Best Buy Co., Inc.	1,088	88
Booking Holdings, Inc. (f)	84	160
Carnival Corp.	2,125	96
Dollar General Corp.	461	73
eBay, Inc.	2,188	78
Ford Motor Co.	14,862	135
Hasbro, Inc.	628	64
Hilton Worldwide Holdings, Inc.	1,061	111
Lennar Corp., Class A	2,498	149
Lowe's Cos., Inc.	1,898	223
McDonald's Corp.	1,056	205
Nike, Inc., Class B	2,928	274
O'Reilly Automotive, Inc. (f)	142	63
Ross Stores, Inc.	901	105
Starbucks Corp.	3,881	332
The Home Depot, Inc.	2,246	494
Yum! Brands, Inc.	1,132	114
		<u>2,862</u>

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Security Description	Shares	Value
Consumer Staples (0.8%):		
Altria Group, Inc.	4,090	\$ 203
Colgate-Palmolive Co.	1,558	106
Kimberly-Clark Corp.	419	57
Sysco Corp.	994	80
The Procter & Gamble Co.	5,669	692
Tyson Foods, Inc., Class A	1,117	100
Walgreens Boots Alliance, Inc.	3,594	214
Walmart, Inc.	3,344	399
		<u>1,851</u>
Energy (0.6%):		
Chevron Corp.	1,946	228
ConocoPhillips	2,296	138
Exxon Mobil Corp.	5,004	341
HollyFrontier Corp.	1,424	73
Marathon Petroleum Corp.	2,305	140
Occidental Petroleum Corp.	2,160	83
Phillips 66	2,172	249
Valero Energy Corp.	1,713	164
		<u>1,416</u>
Financials (1.6%):		
Ally Financial, Inc.	3,056	97
Capital One Financial Corp.	2,359	236
Citigroup, Inc.	9,080	683
Discover Financial Services	2,749	233
FactSet Research Systems, Inc.	326	85
Intercontinental Exchange, Inc.	1,151	108
JPMorgan Chase & Co.	3,759	496
Lincoln National Corp.	1,554	92
Marsh & McLennan Cos., Inc.	933	101
MetLife, Inc.	3,230	161
Regions Financial Corp.	7,902	131
S&P Global, Inc.	1,269	336
Synchrony Financial	3,863	145
T. Rowe Price Group, Inc.	1,031	127
The Allstate Corp.	865	96
The Progressive Corp.	2,257	165
The Travelers Cos., Inc.	549	75
U.S. Bancorp	1,787	107
Wells Fargo & Co.	5,995	326
		<u>3,800</u>
Health Care (1.6%):		
Abbott Laboratories	2,381	203
AbbVie, Inc.	5,239	460
Amgen, Inc.	2,043	480
Biogen, Inc. (f)	788	236
Bristol-Myers Squibb Co.	2,341	133
CVS Health Corp.	2,711	205
Danaher Corp.	817	119

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Security Description	Shares	Value
Edwards Lifesciences Corp. (f)	374	\$ 92
Eli Lilly & Co.	1,234	145
Gilead Sciences, Inc.	4,810	323
IQVIA Holdings, Inc. (f)	654	95
Laboratory Corp. of America Holdings (f)	460	79
McKesson Corp.	652	94
Merck & Co., Inc.	5,615	490
Pfizer, Inc.	13,701	528
Stryker Corp.	521	107
Zoetis, Inc.	873	105
		3,894
Industrials (1.0%):		
3M Co.	1,302	221
Cintas Corp.	485	125
Cummins, Inc.	525	96
Delta Air Lines, Inc.	1,728	99
Eaton Corp. PLC	2,293	212
IDEX Corp.	633	103
Illinois Tool Works, Inc.	550	96
Ingersoll-Rand PLC	566	74
Johnson Controls International PLC	2,716	116
L3Harris Technologies, Inc.	448	90
Lockheed Martin Corp.	477	186
Northrop Grumman Corp.	309	109
PACCAR, Inc.	1,863	152
Rockwell Automation, Inc.	466	91
Roper Technologies, Inc.	311	112
Snap-on, Inc.	439	70
Spirit Aerosystems Holdings, Inc., Class A	983	86
The Boeing Co.	1,187	434
Waste Management, Inc.	737	83
		2,555
Information Technology (2.9%):		
Apple, Inc.	6,201	1,657
Automatic Data Processing, Inc.	599	102
Cadence Design Systems, Inc. (f)	1,140	80
CDW Corp.	643	87
Fiserv, Inc. (f)	796	93
Hewlett Packard Enterprises Co.	5,906	93
HP, Inc.	6,299	126
Intel Corp.	10,694	621
International Business Machines Corp.	3,437	462
Intuit, Inc.	510	132
Lam Research Corp.	679	181
Microsoft Corp. (g)	8,468	1,281
Oracle Corp.	8,513	478
PayPal Holdings, Inc. (f)	1,872	202
QUALCOMM, Inc.	1,561	130
Seagate Technology PLC	1,386	83
TE Connectivity Ltd.	790	73

See notes to financial statements.

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

Security Description	Shares	Value
Texas Instruments, Inc.	1,390	\$ 167
VeriSign, Inc. (f)	470	90
Visa, Inc., Class A	2,521	465
Western Digital Corp.	939	47
		<u>6,650</u>
Materials (0.2%):		
Air Products & Chemicals, Inc.	462	109
Celanese Corp., Series A	626	79
Corteva, Inc.	1,850	48
Hycroft Mining Corp. (f) (h) (k)	24,262	—(j)
LyondellBasell Industries NV, Class A	2,152	199
Nucor Corp.	1,787	101
The Sherwin-Williams Co.	183	107
Westrock Co.	2,569	104
		<u>747</u>
Real Estate (0.4%):		
CBRE Group, Inc., Class A (f)	3,173	181
Crown Castle International Corp.	870	116
Equity Residential	955	81
Essex Property Trust, Inc.	178	56
Host Hotels & Resorts, Inc.	8,129	142
Kimco Realty Corp.	5,000	108
Public Storage	218	46
Ventas, Inc.	747	44
Vornado Realty Trust	2,069	134
Welltower, Inc.	596	50
		<u>958</u>
Utilities (0.4%):		
Consolidated Edison, Inc.	764	66
Dominion Energy, Inc.	847	71
DTE Energy Co.	438	55
Duke Energy Corp.	1,830	162
Evergy, Inc.	1,411	89
Exelon Corp.	2,893	128
NextEra Energy, Inc.	548	128
PPL Corp.	2,784	95
The Southern Co.	1,011	63
		<u>857</u>
Total Common Stocks (Cost \$26,031)		<u>28,367</u>
Preferred Stocks (1.1%)		
Communication Services (0.2%):		
Qwest Corp., 6.50%, 9/1/56	20,000	499
Consumer Staples (0.6%):		
CHS, Inc., Series 1, cumulative redeemable, 7.88%, 9/26/23 (j)	32,000	883
Dairy Farmers of America, Inc., cumulative redeemable, 7.88%, 1/14/20 (a) (j) ..	5,000	492
		<u>1,375</u>

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Security Description	Shares or Principal Amount	Value
Financials (0.3%):		
Delphi Financial Group, Inc., 5.10%(LIBOR03M+319bps), 5/15/37 (b) (k)	27,414	\$ 603
Total Preferred Stocks (Cost \$2,517)		2,477
Senior Secured Loans (0.2%)		
Academy Ltd., 1st Lien Term Loan B, 5.78%(LIBOR01M+400bps), 7/2/22, Callable 1/10/20 @ 100 (b)		
	\$ 584	434
Total Senior Secured Loans (Cost \$498)		434
Corporate Bonds (9.6%)		
Communication Services (0.2%):		
Verizon Communications, Inc., 4.50%, 8/10/33	430	503
Consumer Discretionary (0.2%):		
Hasbro, Inc., 3.55%, 11/19/26, Callable 9/19/26 @ 100	172	173
Nordstrom, Inc., 4.38%, 4/1/30, Callable 1/1/30 @ 100	143	145
		<u>318</u>
Consumer Staples (0.6%):		
Anheuser-Busch Cos. LLC/Anheuser-Busch InBev Worldwide, Inc., 4.70%, 2/1/36, Callable 8/1/35 @ 100	358	417
BAT Capital Corp., 2.79%, 9/6/24, Callable 8/6/24 @ 100	300	300
Kraft Heinz Foods Co., 3.75%, 4/1/30, Callable 1/1/30 @ 100 (a)	161	165
Unilever Capital Corp., 2.60%, 5/5/24, Callable 3/5/24 @ 100	350	358
		<u>1,240</u>
Energy (1.3%):		
Cheniere Corpus Christi Holdings LLC, 3.70%, 11/15/29, Callable 5/18/29 @ 100 (a)	358	362
Diamondback Energy, Inc., 3.25%, 12/1/26, Callable 10/1/26 @ 100 (d)	215	215
Enable Midstream Partners LP, 4.15%, 9/15/29, Callable 6/15/29 @ 100	350	327
Enbridge Energy Partners LP, 7.38%, 10/15/45, Callable 4/15/45 @ 100 (g)	650	964
EQM Midstream Partners LP, 4.75%, 7/15/23, Callable 6/15/23 @ 100	700	683
National Oilwell Varco, Inc., 3.60%, 12/1/29, Callable 9/1/29 @ 100	286	279
Southern Union Co., 4.93%(LIBOR03M+302bps), 11/1/66, Callable 1/13/20 @ 100 (b)	200	139
Targa Resources Partners LP/Targa Resources Partners Finance Corp., 5.50%, 3/1/30, Callable 3/1/25 @ 102.75 (a)	143	143
		<u>3,112</u>
Financials (4.3%):		
AmTrust Financial Services, Inc., 6.13%, 8/15/23	332	337
Ares Capital Corp., 3.63%, 1/19/22, Callable 12/19/21 @ 100 (g)	350	355
BancorpSouth Bank, 4.13%(LIBOR03M+247bps), 11/20/29, Callable 11/20/24 @ 100 (b)	184	185
BBVA USA, 3.88%, 4/10/25, Callable 3/10/25 @ 100	100	105
BMW US Capital LLC, 3.25%, 8/14/20 (a) (g)	700	706
Capital One NA, 2.15%, 9/6/22, Callable 8/6/22 @ 100	350	349
Cullen/Frost Capital Trust II, 3.69%(LIBOR03M+155bps), 3/1/34, Callable 1/13/20 @ 100 (b)	1,000	852

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Security Description	Principal Amount	Value
First Maryland Capital I, 3.00%(LIBOR03M+100bps), 1/15/27, Callable 1/13/20 @ 100 (b)	\$ 100	\$ 95
Ford Motor Credit Co. LLC, 4.06%, 11/1/24, Callable 10/1/24 @ 100	500	503
Global Atlantic Fin Co., 4.40%, 10/15/29, Callable 7/15/29 @ 100 (a) (q)	184	183
Harley-Davidson Financial Services, Inc., 3.55%, 5/21/21 (a) (g)	700	712
HSB Group, Inc., 2.91%(LIBOR03M+91bps), 7/15/27, Callable 1/13/20 @ 100 (b)	550	474
Hyundai Capital America, 3.75%, 7/8/21 (a) (g)	700	714
Level 3 Financing, Inc., 3.88%, 11/15/29, Callable 8/15/29 @ 100 (a)	287	289
Nationwide Mutual Insurance Co., 4.41%(LIBOR03M+229bps), 12/15/24, Callable 1/13/20 @ 100 (a) (b)	1,100	1,095
PNC Bank NA, 2.70%, 10/22/29	1,000	999
Prudential Financial, Inc., 5.62%(LIBOR03M+392bps), 6/15/43, Callable 6/15/23 @ 100 (b)	600	651
Signature Bank, 4.13%(LIBOR03M+256bps), 11/1/29, Callable 11/1/24 @ 100 (b)	250	253
SunTrust Capital, 2.58%(LIBOR03M+67bps), 5/15/27, Callable 1/13/20 @ 100 (b)	1,000	948
Texas Capital Bank NA, 5.25%, 1/31/26	143	149
The Allstate Corp., 5.75%(LIBOR03M+294bps), 8/15/53, Callable 8/15/23 @ 100 (b)	140	151
Zions Bancorp NA, 3.25%, 10/29/29, Callable 7/29/29 @ 100	286	283
		10,388
Health Care (0.6%):		
AbbVie, Inc., 3.20%, 11/21/29, Callable 8/21/29 @ 100 (a)	287	291
CVS Health Corp., 3.25%, 8/15/29, Callable 5/15/29 @ 100	534	543
HCA, Inc., 5.13%, 6/15/39, Callable 12/15/38 @ 100	358	397
Laboratory Corp. of America Holdings, 2.95%, 12/1/29, Callable 9/1/29 @ 100	215	216
		1,447
Industrials (1.0%):		
Ashtead Capital, Inc. 4.00%, 5/1/28, Callable 5/1/23 @ 102 (a)	51	52
4.25%, 11/1/29, Callable 11/1/24 @ 102.13 (a)	38	38
Continental Airlines, 6.25%, 4/1/20	102	104
Dover Corp., 2.95%, 11/4/29, Callable 8/4/29 @ 100	215	217
General Electric Co., 5.50%, 1/8/20, MTN	210	211
Ryder System, Inc. 3.50%, 6/1/21, MTN (g)	700	712
2.90%, 12/1/26, Callable 10/1/26 @ 100, MTN	358	360
The Conservation Fund A Nonprofit Corp., 3.47%, 12/15/29, Callable 9/15/29 @ 100	325	328
United Airlines Pass Through Trust, 2.90%, 11/1/29	300	301
		2,323
Information Technology (0.4%):		
Amphenol Corp., 2.80%, 2/15/30, Callable 11/15/29 @ 100	300	298
Keysight Technologies, Inc., 3.00%, 10/30/29, Callable 7/30/29 @ 100	263	263
Microsoft Corp., 3.45%, 8/8/36, Callable 2/8/36 @ 100	466	512
		1,073

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Security Description	Principal Amount	Value
Materials (0.2%):		
Packaging Corp. of America, 3.00%, 12/15/29, Callable 9/15/29 @ 100	\$ 358	\$ 361
Real Estate (0.2%):		
Mid-America Apartments LP, 2.75%, 3/15/30, Callable 12/15/29 @ 100	358	359
SBA Tower Trust, 2.84%, 1/15/25 (a)	173	173
VICI Properties LP/VICI Note Co., Inc., 4.63%, 12/1/29, Callable 12/1/24 @ 102.31 (a)	33	34
		<u>566</u>
Utilities (0.6%):		
Alabama Power Co., 3.85%, 12/1/42	215	234
Cleco Corporate Holdings LLC, 3.38%, 9/15/29, Callable 6/11/29 @ 100 (a)	367	365
Duke Energy Florida LLC, 3.85%, 11/15/42, Callable 5/15/42 @ 100	215	235
NextEra Energy Capital Holdings, Inc., 3.34%, 9/1/20	467	471
		<u>1,305</u>
Total Corporate Bonds (Cost \$22,178)		<u>22,636</u>

Yankee Dollars (1.5%)

Energy (0.1%):		
Petroleos Mexicanos, 6.49%, 1/23/27, Callable 11/23/26 @ 100 (a)	123	130
Financials (1.1%):		
Athene Holding Ltd., 4.13%, 1/12/28, Callable 10/12/27 @ 100	700	722
Deutsche Bank AG, 3.96%(SOFR+258bps), 11/26/25, Callable 11/26/24 @ 100 (b)	215	216
Newcrest Finance Pty Ltd., 4.45%, 11/15/21 (a) (g)	300	311
QBE Capital Funding III Ltd., 7.25%(USSW10+405bps), 5/24/41, Callable 5/24/21 @ 100 (a) (b)	250	264
Schahin II Finance Co. SPV Ltd. 8.00%, 5/25/20 PIK (a) (h) (o)	23	21
5.88%, 9/25/22 (a) (k) (r)	912	68
Sumitomo Mitsui Financial Group, Inc., 2.45%, 9/27/24	1,000	1,000
		<u>2,602</u>

Industrials (0.1%):		
CK Hutchison International 19 II Ltd., 2.75%, 9/6/29, Callable 6/6/29 @ 100 (a)	300	296
Materials (0.2%):		
Braskem Netherlands Finance BV, 4.50%, 1/31/30 (a)	214	206
Teck Resources Ltd., 6.13%, 10/1/35	230	266
		<u>472</u>
Total Yankee Dollars (Cost \$4,110)		<u>3,500</u>

Municipal Bonds (0.9%)

Florida (0.1%):		
County of Broward Florida Airport System Revenue, Series C, 2.50%, 10/1/28	143	141
Georgia (0.0%):		
Athens Housing Authority Revenue, 2.42%, 12/1/26 (d)	305	304

See notes to financial statements.

USAA Cornerstone Moderately Conservative Fund

November 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Principal Amount	Value
New Jersey (0.1%):		
New Jersey Economic Development Authority Revenue, Series NNN,		
2.88%, 6/15/24	\$ 138	\$ 138
North Hudson Sewerage Authority Revenue, 2.88%, 6/1/28	72	73
		<u>211</u>
New York (0.1%):		
New York State Dormitory Authority Revenue, Series B, 2.83%, 7/1/31 (d)		
	360	359
New York State Thruway Authority Revenue, Series M, 2.55%, 1/1/28	83	83
		<u>442</u>
Pennsylvania (0.3%):		
State Public School Building Authority Revenue, 3.05%, 4/1/28		
	143	143
University of Pittsburgh-of The Commonwealth System of Higher Education Revenue		
Series C, 2.53%, 9/15/31 (d)	145	145
Series C, 2.58%, 9/15/32 (d)	70	70
Series C, 2.63%, 9/15/33 (d)	145	145
		<u>503</u>
Texas (0.3%):		
City of Houston, Texas Combined Utility System Revenue, 3.72%, 11/15/28		
	180	199
Harris County Cultural Education Facilities Finance Corp. Revenue,		
Series B, 2.81%, 5/15/29 (d)	145	145
State of Texas, GO, 3.00%, 4/1/28 (d)	215	226
		<u>570</u>
Total Municipal Bonds (Cost \$2,170)		<u>2,171</u>

U.S. Government Agency Mortgages (11.2%)

Federal Home Loan Mortgage Corporation Series 7/15/29, Class A2,		
3.33%, 5/25/25 (q)	1,100	1,168
3.00%, 4/1/46	1,341	1,373
3.50%, 4/1/46	3,901	4,063
3.00%, 6/1/46	3,208	3,285
3.00%, 9/1/46	1,459	1,494
3.00%, 10/1/46	736	753
3.00%, 11/1/46	1,496	1,532
3.00%, 1/1/47	2,372	2,429
3.00%, 1/1/47	3,498	3,582
3.00%, 3/1/47	4,312	4,416
3.50%, 4/1/48	1,698	1,748
		<u>25,843</u>
Federal National Mortgage Association Series 2016-M2, Class AV2,		
2.15%, 1/25/23	457	459
Total U.S. Government Agency Mortgages (Cost \$25,871)		<u>26,302</u>

U.S. Treasury Obligations (19.1%)

U.S. Treasury Bonds		
3.13%, 8/15/44	5,700	6,706

See notes to financial statements.

USAA Cornerstone Moderately Conservative Fund

November 30, 2019

(Amounts in Thousands, Except for Shares)

(Unaudited)

Security Description	Shares or Principal Amount	Value
3.00%, 8/15/48 (g)	\$ 1,000	\$ 1,169
3.38%, 11/15/48 (g)	1,000	1,252
2.38%, 11/15/49	1,000	1,038
U.S. Treasury Notes		
2.50%, 1/31/21 (g)	2,000	2,018
1.13%, 2/28/21	7,600	7,546
1.63%, 11/15/22	8,000	8,005
2.00%, 2/15/23	618	625
1.63%, 4/30/23	3,800	3,801
2.50%, 5/15/24	1,500	1,556
2.25%, 11/15/25	6,200	6,393
1.63%, 2/15/26	2,000	1,990
2.25%, 2/15/27	1,000	1,035
2.38%, 5/15/27 (g)	2,000	2,090
Total U.S. Treasury Obligations (Cost \$43,274)		45,224

Exchange-Traded Funds (37.8%)

First Trust Global Tactical Commodity Strategy Fund	6,700	122
Invesco DB Commodity Index Tracking Fund (I)	22,900	351
Invesco FTSE RAFI Developed Markets ex-US ETF	45,132	1,867
Invesco FTSE RAFI Emerging Markets ETF	99,400	2,071
Invesco Fundamental High Yield Corporate Bond ETF	16,600	316
iShares 20+ Year Treasury Bond ETF	31,413	4,411
iShares Core MSCI EAFE ETF	63,935	4,080
iShares Core MSCI Emerging Markets ETF	85,807	4,391
iShares Core S&P 500 ETF	25,200	7,964
iShares Core U.S. Aggregate Bond ETF	20,144	2,273
iShares Edge MSCI Min Vol Emerging Markets ETF	2,787	159
iShares iBoxx \$ Investment Grade Corporate Bond ETF	22,257	2,848
iShares iBoxx High Yield Corporate Bond ETF	19,000	1,652
iShares MSCI Canada ETF	190,522	5,645
iShares MSCI United Kingdom ETF	44,000	1,449
Schwab Fundamental Emerging Markets Large Co. Index ETF	160,268	4,598
Schwab Fundamental International Large Co. Index ETF	236,622	6,795
Schwab Fundamental International Small Co. Index ETF	50,100	1,635
SPDR S&P Emerging Markets Smallcap ETF	7,496	331
U.S. Commodity Index Fund (I)	5,900	207
VanEck Vectors Gold Miners ETF	73,369	1,987
VanEck Vectors Junior Gold Miners ETF	8,800	336
Vanguard FTSE All-World ex-US ETF	11,514	601
Vanguard FTSE Developed Markets ETF	96,297	4,138
Vanguard FTSE Europe ETF (I)	121,100	6,828
Vanguard Mortgage-Backed Securities ETF	63,300	3,371
Vanguard Real Estate ETF	32,884	3,061
Vanguard S&P 500 ETF (g)	15,149	4,373
Vanguard Short-Term Bond ETF (I)	5,000	404
Vanguard Small-Capital Value ETF (I)	27,400	3,681
Vanguard Total Bond Market ETF	68,118	5,742
Vanguard Total Stock Market ETF (g)	5,759	922

See notes to financial statements.

USAA Cornerstone Moderately Conservative Fund

November 30, 2019

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

Security Description	Shares or Principal Amount	Value
WisdomTree Emerging Markets SmallCap Dividend Fund	5,259	\$ 239
Xtrackers USD High Yield Corporate Bond ETF (I)	8,000	399
Total Exchange-Traded Funds (Cost \$82,669)		89,247
Affiliated Exchange-Traded Funds (0.2%)		
VictoryShares USAA MSCI Emerging Markets Value Momentum ETF	9,770	422
Total Affiliated Exchange-Traded Funds (Cost \$469)		422
Commercial Paper (2.7%)		
CSLB Holdings, Inc., 2.40%, 12/3/19 (m)	300	300
DuPont Ei De Nemours Co., 2.00%, 12/9/19 (m)	1,000	1,000
Energy Transfer Partner LP, 4.00%, 12/2/19 (m)	1,000	1,000
ONEOK, Inc., 2.65%, 12/3/19 (m)	1,000	999
PVH Corp., 2.52%, 12/5/19 (m)	1,000	1,000
Royal Caribbean Cruises, 2.40%, 12/3/19 (m)	1,000	999
Spire, Inc., 2.12%, 12/5/19 (m)	740	740
Viacom, Inc., 1.97%, 12/10/19 (m)	300	300
Total Commercial Paper (Cost \$6,339)		6,338
Convertible Corporate Bonds (0.0% (n))		
Materials (0.0%):		
Hycoft Mining Corp., 15.00%, 10/22/20 PIK (h) (o) (k)	\$ 782	23
Total Convertible Corporate Bonds (Cost \$777)		23
Collateral for Securities Loaned[^] (3.4%)		
HSBC US Government Money Market Fund, I Shares, 1.58% (p)	7,912,521	7,913
Total Collateral for Securities Loaned (Cost \$7,913)		7,913
Total Investments (Cost \$233,356) — 103.3%		243,611
Liabilities in excess of other assets — (3.3%)		(7,829)
NET ASSETS — 100.00%		\$235,782

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

- (a) Rule 144A security or other security that is restricted as to resale to institutional investors. The Fund's Adviser has deemed this security to be liquid, unless noted otherwise, based upon procedures approved by the Board of Trustees. As of November 30, 2019, the fair value of these securities was \$12,756 (thousands) and amounted to 5.4% of net assets.
- (b) Variable or Floating-Rate Security. Rate disclosed is as of November 30, 2019.
- (c) The rate for certain asset-backed and mortgage backed securities may vary based on factors relating to the pool of assets underlying the security. The rate disclosed is the rate in effect at November 30, 2019.
- (d) Security purchased on a when-issued basis.
- (e) Interest only.
- (f) Non-income producing security.

See notes to financial statements.

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

- (g) All or a portion of this security has been segregated as collateral for securities purchased on a when-issued basis.
- (h) Security was fair valued based upon procedures approved by the Board of Trustees and represents less than 0.05% of the Fund's net assets as of November 30, 2019. This security is classified as Level 3 within the fair value hierarchy. (See Note 2 in the Notes to Financial Statements)
- (i) Rounds to less than \$1.
- (j) Security is perpetual and has no final maturity date but may be subject to calls at various dates in the future.
- (k) The Fund's Adviser has deemed this security to be illiquid based upon procedures approved by the Board of Trustees. As of November 30, 2019, illiquid securities were 0.3% of the Fund's net assets.
- (l) All or a portion of this security is on loan.
- (m) Rate represents the effective yield at November 30, 2019.
- (n) Amount represents less than 0.05% of net assets.
- (o) All of the coupon is PIK.
- (p) Rate disclosed is the daily yield on November 30, 2019.
- (q) Variable Rate Demand Notes that provide the rights to sell the security at face value on either that day or within the rate-reset period. The interest rate is reset on the put date at a stipulated daily, weekly, monthly, quarterly, or other specified time interval to reflect current market conditions. These securities do not indicate a reference rate and spread in their description.
- (r) Defaulted security.

bps — Basis points

ETF — Exchange-Traded Fund

GO — General Obligation

LIBOR — London InterBank Offered Rate

LIBOR01M — 1 Month US Dollar LIBOR, rate disclosed as of November 30, 2019, based on the last reset date of the security

LIBOR03M — 3 Month US Dollar LIBOR, rate disclosed as of November 30, 2019, based on the last reset date of the security

LLC — Limited Liability Company

LP — Limited Partnership

MTN — Medium Term Note

PIK — Paid in Kind security

PLC — Public Limited Company

SOFR — Secured Overnight Financing Rate

USSW10 — USD 10 Year Swap Rate, rate disclosed as of November 30, 2019

See notes to financial statements.

Statement of Assets and Liabilities

USAA Mutual Funds Trust

November 30, 2019

(Amounts in Thousands, Except Per Share Amounts)

(Unaudited)

	<u>USAA Cornerstone Moderately Conservative Fund</u>
Assets:	
Affiliated investments, at value (Cost \$469)	\$ 422
Unaffiliated investments, at value (Cost \$232,887)	243,189(a)
Cash and cash equivalents	1,344
Receivables:	
Interest and dividends	542
Capital shares issued	160
From Adviser	142
Prepaid expenses	1
Total assets	245,800
Liabilities:	
Payables:	
Collateral received on loaned securities	7,913
Investments purchased	1,830
Capital shares redeemed	93
Accrued expenses and other payables:	
Investment advisory fees	97
Administration fees	29
Custody fees	1
Transfer agent fees	11
Compliance fees	—(b)
Other accrued expenses	44
Total liabilities	10,018
Net Assets:	
Capital	224,595
Total distributable earnings/(loss)	11,187
Net assets	\$235,782
Shares (unlimited number of shares authorized with no par value):	20,601
Net asset value, offering and redemption price per share: (c)	\$ 11.44

(a) Includes \$7,689 of securities on loan.

(b) Rounds to less than \$1.

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

See notes to financial statements.

Statement of Operations

USAA Mutual Funds Trust

For the Six Months Ended November 30, 2019

*(Amounts in Thousands)**(Unaudited)***USAA Cornerstone
Moderately
Conservative Fund****Investment Income:**

Dividends	\$ 2,241
Interest	1,153
Securities lending (net of fees)	10
Total income	3,404

Expenses:

Investment advisory fees	583
Administration fees	175
Custodian fees	21
Transfer agent fees	269
Trustees' fees	20
Compliance fees	1
Legal and audit fees	43
State registration and filing fees	10
Sub-Administration fees	24
Other expenses	29
Total expenses	1,175

Expenses waived/reimbursed by Adviser	(103)
Expenses waived/reimbursed by AMCO	(26)

Net expenses	1,046
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Net Investment Income (Loss)	2,358
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Realized/Unrealized Gains (Losses) from Investments:

Net realized gains (losses) from investment securities and foreign currency translations	1,643
Net realized gains (losses) from futures contracts	(151)
Net change in unrealized appreciation/depreciation on affiliated funds	7
Net change in unrealized appreciation/depreciation on unaffiliated investments securities and foreign currency translations	8,696
Net change in unrealized appreciation/depreciation on futures contracts	98
Net realized/unrealized gains (losses) on investments	10,293
Change in net assets resulting from operations	\$12,651

See notes to financial statements.

(Amounts in Thousands)

	USAA Cornerstone Moderately Conservative Fund	
	Six Months Ended November 30, 2019 (unaudited)	Year Ended May 31, 2019
From Investments:		
Operations:		
Net investment income (loss)	\$ 2,358	\$ 4,923
Net realized gains (losses) from investments	1,492	(236)
Net change in unrealized appreciation (depreciation) on investments	8,801	(2,517)
Change in net assets resulting from operations	12,651	2,170
Change in net assets resulting from distributions to shareholders	(2,228)	(8,928)
Change in net assets resulting from capital transactions	(1,125)	11,521
Change in net assets	9,298	4,763
Net Assets:		
Beginning of period	226,484	221,721
End of period	\$235,782	\$226,484
Capital Transactions:		
Proceeds from shares issued	\$ 14,834	\$ 46,063
Distributions reinvested	2,117	8,481
Cost of shares redeemed	(18,076)	(43,023)
Change in net assets resulting from capital transactions	\$ (1,125)	\$ 11,521
Share Transactions:		
Issued	1,318	4,196
Reinvested	189	792
Redeemed	(1,607)	(3,919)
Change in Shares	(100)	1,069

See notes to financial statements.

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For a Share Outstanding Throughout Each Period

	Net Asset Value, Beginning of Period	Investment Activities			Distributions to Shareholders From	
		Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains From Investments
USAA Cornerstone Moderately Conservative Fund						
Six Months Ended						
November 30, 2019 (unaudited)	\$10.94	0.11(d)	0.50	0.61	(0.11)	—
Year Ended						
May 31, 2019	\$11.29	0.24	(0.14)	0.10	(0.24)	(0.21)
Year Ended						
May 31, 2018	\$11.34	0.21	0.23	0.44	(0.21)	(0.28)
Year Ended						
May 31, 2017	\$10.67	0.23	0.68	0.91	(0.24)	—
Year Ended						
May 31, 2016	\$11.42	0.28	(0.68)	(0.40)	(0.26)	(0.09)
Year Ended						
May 31, 2015	\$11.52	0.26	0.03	0.29	(0.27)	(0.12)

* Assumes reinvestment of all net investment income and realized capital gain distributions, if any, during the period. Includes adjustments in accordance with U.S. generally accepted accounting principles and could differ from the Lipper reported return.

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

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

(b) Annualized for periods less than one year.

(c) The expense ratios exclude the impact of expenses paid by each underlying fund.

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

(e) Reflects increased usage of quantitative investment strategies.

(f) Reflects increased trading activity due to changes in asset allocation strategies.

See notes to financial statements.

For a Share Outstanding Throughout Each Period

Total Distributions	Net Asset Value, End of Period	Total Return*(a)	Ratios to Average Net Assets			Supplemental Data	
			Net Expenses^(b)(c)	Net Investment Income (Loss)(b)	Gross Expenses(b)(c)	Net Assets, End of Period (000's)	Portfolio Turnover(a)
(0.11)	\$11.44	5.58%	0.90%	2.03%	1.01%	\$235,782	37%
(0.45)	\$10.94	0.99%	0.90%	2.22%	1.08%	\$226,484	77%(e)
(0.49)	\$11.29	3.89%	0.90%	1.84%	1.07%	\$221,721	45%
(0.24)	\$11.34	8.65%	0.90%	2.12%	1.09%	\$209,270	55%
(0.35)	\$10.67	(3.50)%	0.90%	2.56%	1.09%	\$194,376	70%(f)
(0.39)	\$11.42	2.58%	0.90%	2.43%	1.05%	\$204,535	37%

See notes to financial statements.

1. Organization:

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

The accompanying financial statements are those of the USAA Cornerstone Moderately Conservative Fund (the "Fund"). The Fund is classified as diversified under the 1940 Act.

On November 6, 2018, United Services Automobile Association ("USAA"), the parent company of USAA Asset Management Company ("AMCO"), the investment adviser to the Fund, and USAA Transfer Agency Company, d/b/a USAA Shareholder Account Services ("SAS"), the transfer agent to the Fund, announced that AMCO and SAS would be acquired by Victory Capital Holdings Inc., a global investment management firm headquartered in Cleveland, Ohio (the "Transaction"). The Transaction closed on July 1, 2019. A special shareholder meeting was held on April 18, 2019, at which shareholders of the Fund approved a new investment advisory agreement between the Trust, on behalf of the Fund, and Victory Capital Management Inc. ("VCM" or "Adviser"). Effective July 1, 2019, VCM replaced AMCO as the investment adviser to the Fund and Victory Capital Transfer Agency Company replaced SAS as the Fund's transfer agent. In addition, effective on that same date, shareholders of the Fund also elected the following two new directors to the Board of the Trust to serve upon the closing of the Transaction: (1) David C. Brown, to serve as an Interested Trustee; and (2) John C. Walters, to serve as an Independent Trustee. Effective July 1, 2019, Citibank, N.A. is the new custodian for the USAA Mutual Funds.

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

2. Significant Accounting Policies:

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

Investment Valuation:

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

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

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

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

(Unaudited)

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

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

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

Futures contracts are valued at the settlement price established each day by the board of trade or an exchange on which they are traded. These valuations are typically categorized as Level 1 in the fair value hierarchy.

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

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

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

A summary of the valuations as of November 30, 2019, based upon the three levels defined above, is included in the table below while the breakdown, by category, of investments is disclosed in the Schedule of Portfolio Investments (amounts in thousands):

	Level 1	Level 2	Level 3	Total
Asset Backed Securities	\$ —	\$ 6,338	\$ —	\$ 6,338
Collateralized Mortgage Obligations	—	2,219	—	2,219
Common Stocks	28,367	— ^(a)	—	28,367
Preferred Stocks	1,381	1,096	—	2,477
Senior Secured Loans	—	434	—	434
Corporate Bonds	—	22,636	—	22,636
Yankee Dollars	—	3,479	21	3,500
Municipal Bonds	—	2,171	—	2,171
U.S. Government Agency Mortgages	—	26,302	—	26,302
U.S. Treasury Obligations	—	45,224	—	45,224
Exchange-Traded Funds	89,247	—	—	89,247
Affiliated Exchange-Traded Funds	422	—	—	422
Commercial Paper	—	6,338	—	6,338
Convertible Corporate Bonds	—	—	23	23
Collateral for Securities Loaned	7,913	—	—	7,913
Total	<u>\$127,330</u>	<u>\$116,237</u>	<u>\$44</u>	<u>\$243,611</u>

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

Real Estate Investment Trusts (“REITs”):

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

Investment Companies:**Exchange-Traded Funds:**

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

Open-End Funds:

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

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

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

Mortgage- and Asset-Backed Securities:

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

Foreign Exchange Currency Contracts:

The Fund may enter into foreign exchange currency contracts to convert U.S. dollars to and from various foreign currencies. A foreign exchange currency contract is an obligation by the Fund to purchase or sell a specific currency at a future date at a price (in U.S. dollars) set at the time of the contract. The Fund does not engage in "cross-currency" foreign exchange contracts (i.e., contracts to purchase or sell one foreign currency in exchange for another foreign currency). The Fund's foreign exchange currency contracts might be considered spot contracts (typically a contract of one week or less) or forward contracts (typically a contract term over one week). A spot contract is entered into for purposes of hedging against foreign currency fluctuations relating to a specific portfolio transaction, such as the delay between a security transaction trade date and settlement date. Forward contracts are entered into for purposes of hedging portfolio holdings or concentrations of such holdings. Each foreign exchange currency contract is adjusted daily by the prevailing spot or forward rate of the underlying currency, and any appreciation or depreciation is recorded for financial statement purposes as unrealized until the contract settlement date, at which time the Fund records realized gains or losses equal to the difference between the value of a contract at the time it was opened and the value at the time it was closed. The Fund could be exposed to risk if a counterparty is unable to meet the terms of a foreign exchange currency contract or if the value of the foreign currency changes unfavorably. In addition, the use of foreign exchange currency contracts does not eliminate fluctuations in the underlying prices of the securities. As of November 30, 2019, the Fund had no open forward foreign exchange currency contracts.

Derivative Instruments:**Futures Contracts:**

The Fund may enter into contracts for the future delivery of securities or foreign currencies and futures contracts based on a specific security, class of securities, foreign currency or an index, and purchase or sell options on any such futures contracts. A futures contract on a securities index is an agreement obligating either party to pay, and entitling the other party to receive, while the contract is outstanding, cash payments based on the level of a specified securities index. No physical delivery of the underlying asset is made. The acquisition of put and call options on futures contracts will give the Fund the right (but not the obligation), for a specified price, to sell or to purchase the underlying futures contract, upon exercise of the option, at any time during the option period. Futures transactions involve brokerage costs and require the Fund to segregate assets to cover contracts that would require it to purchase securities or currencies. A good faith margin deposit, known as initial margin, of cash or government securities with a broker or custodian is required to initiate and maintain open positions in futures contracts. Subsequent payments, known as variation margin, are made or received by the Fund based on the change in the market value of the position and are recorded as unrealized appreciation or depreciation until the contract is closed out, at which time the gain or loss is realized. The Fund may lose the expected benefit of futures transactions if interest rates, exchange rates or securities prices change in an unanticipated manner. Such unanticipated changes may also result in lower overall performance than if the Fund had not entered into any futures transactions. In addition, the value of the Fund's futures positions may not prove to be perfectly or even highly correlated with the value of its portfolio securities or foreign currencies, limiting the Fund's ability to hedge effectively against interest rate, exchange rate and/or market risk and giving rise to additional risks. There is no assurance of liquidity in the secondary market for purposes of closing out futures positions.

During the period ended November 30, 2019, the Fund held futures contracts primarily for the strategy of gaining exposure to a particular asset class or securities market. The Fund held no futures contracts at November 30, 2019.

Investment Transactions and Related Income:

Changes in holdings of investments are accounted for no later than one business day following the trade date. For financial reporting purposes, however, investment transactions are accounted for on trade date on the last business day of the reporting period. Interest income is determined on the basis of coupon interest accrued using the effective interest method which adjusts, where applicable, the

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amortization of premiums or accretion of discount. Gains or losses realized on sales of securities are determined by comparing the identified cost of the security lot sold with the net sales proceeds.

Securities Lending:

The Fund, through a securities lending agreement with Citibank, N.A. (“Citibank”), may lend its securities to qualified financial institutions, such as certain broker-dealers, to earn additional income, net of income retained by Citibank. Borrowers are required to secure their loans for collateral in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked-to-market daily. Any collateral shortfall associated with increases in the valuation of the securities loaned are cured the next business day once the shortfall exceeds \$100,000. Collateral may be cash, U.S. government securities, or other securities as permitted by SEC guidelines. Cash collateral may be invested in high-quality short-term investments, primarily open-end investment companies. Collateral requirements are determined daily based on the value of the Fund’s securities on loan as of the end of the prior business day. During the time portfolio securities are on loan, the borrower will pay the Fund any dividends or interest paid on such securities plus any fee negotiated between the parties to the lending agreement. The Fund also earns a return from the collateral. The Fund pays Citibank various fees in connection with the investment of cash collateral and fees based on the investment income received from securities lending activities. Securities lending income (net of these fees) is disclosed on the Statement of Operations. Loans are terminable upon demand and the borrower must return the loaned securities within the lesser of one standard settlement period or five business days. Risks relating to securities-lending transactions include that the borrower may not provide additional collateral when required or return the securities when due, and that the value of the short-term investments will be less than the amount of cash collateral required to be returned to the borrower. The Fund’s agreement with Citibank does not include master netting provisions. Non-cash collateral received by the Fund may not be sold or re-pledged except to satisfy borrower default. Cash collateral is listed in the Fund’s Portfolio of Investments and Financial Statements while non-cash collateral is not included. The following table (amounts in thousands) is a summary of the Fund’s securities lending transactions as of November 30, 2019.

<u>Value of Securities on Loan</u>	<u>Non-Cash Collateral</u>	<u>Cash Collateral</u>
\$7,689	\$—	\$7,913

Foreign Currency Translations:

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

Federal Income Taxes:

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

Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., all open tax years and the interim tax

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period since then). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

Allocations:

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

Cross-Trade Transactions:

Pursuant to Rule 17a-7 under the 1940 Act, the Fund may engage in cross-trades which are securities transactions with affiliated investment companies and advisory accounts managed by the Adviser and any applicable sub-adviser. Any such purchase or sale transaction must be effected without brokerage commission or other remuneration, except for customary transfer fees. The transaction must be effected at the current market price, which is either the security's last sale price on an exchange or, if there are no transactions in the security that day, at the average of the highest bid and lowest asked price. For the six months ended November 30, 2019, the Fund did not engage in any Rule 17a-7 transactions under the 1940 Act.

3. Purchases and Sales:

Cost of purchases and proceeds from sales/maturities of securities (excluding securities maturing less than one year from acquisition) for the six months ended November 30, 2019 were as follows for the Fund (amounts in thousands):

<u>Excluding</u>		<u>U.S. Government Securities</u>	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$65,079	\$50,463	\$18,480	\$31,440

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

Effective with the Transaction on July 1, 2019, investment advisory services are provided to the Fund by the Adviser, a New York corporation registered as an investment adviser with the Securities and Exchange Commission ("SEC"). The Adviser is a wholly-owned indirect subsidiary of Victory Capital Holdings, Inc., a publicly traded Delaware corporation, and a wholly-owned direct subsidiary of Victory Capital Operating, LLC. Under the terms of the Investment Advisory Agreement, the Adviser is entitled to receive fees accrued daily and paid monthly at an annual rate of 0.50% of the Fund's average daily net assets. Amounts incurred and paid to VCM from July 1, 2019 through November 30, 2019 are \$488 thousand and are reflected on the Statement of Operations as Investment Advisory fees.

Prior to the Transaction on July 1, 2019, AMCO provided investment management services to the Fund pursuant to an Advisory Agreement. Under this agreement, AMCO was responsible for managing the business and affairs of the Fund, and for directly managing day-to-day investment of the Fund's assets, subject to the authority of and supervision by the Board. The Fund's investment management fee was accrued daily and paid monthly at an annualized rate of 0.50% of the Fund's average daily net assets. Amounts incurred and paid to AMCO from June 1, 2019 through June 30, 2019 were \$95 thousand and reflected on the Statement of Operations as Investment Advisory fees.

In addition, the Fund invests in affiliated USAA exchange-traded fund(s) ("affiliated ETFs"). The Fund's Advisor fee is reimbursed by VCM (and previously AMCO) to the extent of the indirect Advisor fee incurred through the Fund's proportional investment in the affiliated ETF(s). For the period from July 1, 2019 through November 30, 2019, the Fund's Advisor fee was reimbursed by VCM in an amount of

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\$1 thousand, of which \$1 thousand is receivable from VCM. For the period from June 1, 2019 through June 30, 2019, the Fund's Advisor fee was reimbursed by AMCO in an amount of less than \$1 thousand.

Effective with the Transaction on July 1, 2019, the Trust relies on an exemptive order granted to VCM and its affiliated funds by the SEC in March 2019 permitting the use of a "manager-of-managers" structure for certain funds. Prior to that date, the Trust relied on a similar exemptive order granted by the SEC to the Trust and its affiliated persons. Under a manager of managers structure, the investment adviser may select (with approval of the Board and without shareholder approval) one or more subadvisers to manage the day-to-day investment of a fund's assets. For the six months ended November 30, 2019, the Fund had no subadvisers.

Administration and Servicing Fees:

Effective with the Transaction on July 1, 2019, VCM serves as the Fund's administrator and fund accountant. Under the Fund Administration, Servicing and Accounting Agreement, VCM is paid for its services an annual fee at a rate of 0.15% of average daily net assets. Amounts incurred from July 1, 2019 through November 30, 2019 are \$147 thousand and are presented on the Statement of Operations as Administration fees.

Prior to the Transaction on July 1, 2019, AMCO provided certain administration and servicing functions for the Fund. For such services, AMCO received a fee accrued daily and paid monthly at an annualized rate of 0.15% of average daily net assets. Amounts incurred from June 1, 2019 through June 30, 2019 were \$28 thousand and are presented on the Statement of Operations as Administration fees.

Effective with the Transaction on July 1, 2019, the Fund (as part of the Trust) has entered into an agreement to provide compliance services with the Adviser, pursuant to which the Adviser furnishes its compliance personnel, including the services of the Chief Compliance Officer ("CCO"), and other resources reasonably necessary to provide the Trust with compliance oversight services related to the design, administration and oversight of a compliance program for the Trust in accordance with Rule 38a-1 under the 1940 Act. The CCO is an employee of the Adviser, which pays the compensation of the CCO and support staff. Funds in the Trust, Victory Variable Insurance Funds, Victory Portfolios and Victory Portfolios II (collectively, the "Victory Funds Complex") in the aggregate, compensates the Adviser for these services. Amounts incurred during the period from July 1, 2019 to November 30, 2019 are reflected on the Statement of Operations as Compliance fees.

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

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

Transfer Agency Fees:

Effective with the Transaction on July 1, 2019, Victory Capital Transfer Agency, Inc. ("VCTA"), (formerly, USAA Shareholder Account Services ("SAS")), provides transfer agency services to the Fund. VCTA, an affiliate of the Adviser, provides transfer agent services based on an annual charge of \$23 per shareholder account plus out-of-pocket expenses. VCTA pays a portion of these fees to certain intermediaries for the administration and servicing of accounts that are held with such intermediaries. Amounts incurred and paid to VCTA from July 1, 2019 through November 30, 2019 was \$224 thousand. Amounts incurred and paid to SAS from June 1, 2019 through June 30, 2019 was \$45 thousand. These amounts are reflected on the Statement of Operations as Transfer Agent fees.

Effective with the Transaction on July 1, 2019, FIS Investor Services LLC serves as sub-transfer agent and dividend disbursing agent for the Fund pursuant to a Sub-Transfer Agent agreement between

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

Distributor/Underwriting services:

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

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

Other Fees:

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

Effective July 1, 2019, Citibank, N.A., serves as the Fund's custodian.

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

Effective with the Transaction on July 1, 2019, the Adviser has entered into an expense limitation agreement with the Fund until at least June 30, 2021. Under the terms of the agreement, the Adviser has agreed to waive fees or reimburse certain expenses to the extent that ordinary operating expenses incurred in any fiscal year exceed the expense limit for the Fund. Such excess amounts will be the liability of the Adviser. Interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with GAAP, and other extraordinary expenses not incurred in the ordinary course of the Fund's business are excluded from the expense limits. Effective July 1, 2019 through November 30, 2019, the expense limit (excluding voluntary waivers) is 0.90%.

Under this expense limitation agreement, the Fund has agreed to repay fees and expenses that were waived or reimbursed by the Adviser for a period up to three years after the fiscal year in which the waiver or reimbursement took place, subject to the lesser of any operating expense limits in effect at the time of: (a) the original waiver or expense reimbursement; or (b) the recoupment, after giving effect to the recoupment amount. As of November 30, 2019, the following amounts are available to be repaid to the Adviser (amounts in thousands). Amounts repaid to the Adviser during the six months ended November 30, 2019, if any, are reflected on the Statement of Operations as "Recoupment of prior expenses waived/reimbursed by Adviser".

Expires 05/31/2023

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The Adviser, may voluntarily waive or reimburse additional fees to assist the Fund in maintaining competitive expense ratios. Voluntary waivers and reimbursements applicable to the Fund are not available to be recouped at a future time. There were no voluntary waivers or reimbursements for the six months ended November 30, 2019.

Prior to the Transaction on July 1, 2019, AMCO agreed, through September 30, 2019, to limit the total annual operating expenses to 0.90% of average daily net assets, excluding extraordinary expenses and before reductions of any expenses paid indirectly, and to reimburse all expenses in excess of those amounts. Effective with the Transaction on July 1, 2019, this expense limits is no longer in effect. For the period June 1, 2019 through June 30, 2019, the Fund incurred reimbursements of \$26 thousand. These amounts are reflected on the Statement of Operations as Expenses waived/reimbursed by AMCO.

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

5. Risks:

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

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The Fund has a targeted risk tolerance and a corresponding asset allocation target; however, mere asset allocation and volatility are not the sole determination of risk. The Fund's managers will tactically allocate away from the target allocation as market conditions and the perceived risks warrant. The Fund bears the risk that the managers' tactical allocation will not be successful.

The equity securities in the Fund's portfolio are subject to stock market risk. A company's stock price in general may decline over short or even extended periods, regardless of the success or failure of the company's operations. Stock markets tend to run in cycles, with periods when stock prices generally go up and periods when stock prices generally go down. Equity securities tend to be more volatile than debt securities. In addition, to the degree the Fund invests in foreign securities, there is a possibility that the value of the Fund's investments in foreign securities will decrease because of unique risks, such as currency exchange-rate fluctuations; foreign market illiquidity; emerging market risk; increased price volatility; uncertain political conditions; exchange control regulations; foreign ownership limits; different accounting, reporting, and disclosure requirements; difficulties in obtaining legal judgments; and foreign withholding taxes. These risks are particularly heightened in this Fund because investments in emerging-market countries generally are more volatile than investments in developed markets. Emerging-market countries are less economically diverse and mature than more developed countries and tend to be politically less stable.

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

The Fund may invest in shares of ETFs, which generally are investment companies that hold a portfolio of common stocks or debt securities, the shares of which are traded on an exchange. ETFs incur their own management and other fees and expenses, such as trustees' fees, operating expenses, registration fees, and marketing expenses, a proportionate share of which will be borne indirectly by the Fund as a shareholder in an ETF. As a result, the Fund's investment in an ETF will cause the Fund to indirectly bear the fees and expenses of the ETF and, in turn, the Fund's performance may be lower than if the Fund were to invest directly in the underlying securities held by the ETF. For investments in affiliated ETFs, the Fund's management fee is reimbursed by the Adviser to the extent of the indirect management fee incurred through the Fund's investment in the affiliated ETFs. The Adviser may have conflicts of interest in allocating assets among affiliated and unaffiliated ETFs, because the Adviser also manages and administers the affiliated ETFs, and the Adviser and its affiliates receive other fees from the affiliated ETFs. In addition, the Fund also will be subject to the risks associated with the securities or other investments held by the ETFs.

6. Borrowing and Interfund Lending:

Line of Credit:

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

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(one month LIBOR plus one percent) on amounts borrowed. Interest charged to the Fund during the period is presented on the Statement of Operations under line of credit fees.

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

The Fund had no borrowings under either agreement with Citibank or CAPCO during the six months ended November 30, 2019.

Interfund Lending:

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

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

7. Federal Income Tax Information:

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

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

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

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

<u>Year Ended May 31, 2019</u>		
<u>Distributions paid from</u>		
<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions Paid</u>
\$6,347	\$2,581	\$8,928

(Unaudited)

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

<u>Undistributed Ordinary Income</u>	<u>Accumulated Capital and Other Losses</u>	<u>Unrealized Appreciation (Depreciation)**</u>	<u>Total Accumulated Earnings (Deficit)</u>
\$617	\$(991)	\$1,308	\$934

** The difference between the book-basis and tax-basis of unrealized appreciation/depreciation is attributable primarily to tax deferral of losses on wash sales, REIT return of capital dividend, non-REIT return of capital dividend, futures contracts marked-to-market, hybrid interest accrual adjustment and partnership basis adjustments.

8. Affiliated Securities:

An affiliated security is a security in which the Fund has ownership of at least 5% of the security's outstanding voting shares or an investment company managed by VCM. The Fund does not invest in affiliated underlying funds for the purpose of exercising management or control. These underlying funds are noted as affiliated in the Fund's Schedule of Portfolio Investments. The affiliated underlying funds' annual or semiannual reports may be viewed at usaa.com. Transactions in affiliated securities during the six months ended November 30, 2019 were as follows (amount in thousands):

	<u>Fair Value 5/31/2019</u>	<u>Purchases at Cost</u>	<u>Proceeds from Sales</u>	<u>Realized Gain (Loss)</u>	<u>Capital Gain Distribution</u>	<u>Net Change in Unrealized Appreciation/ Depreciation</u>	<u>Fair Value 11/30/2019</u>	<u>Dividend Income</u>
Affiliated Holdings								
VictoryShares USAA MSCI Emerging Markets Value Momentum ETF	\$415	\$—	\$—	\$—	\$—	\$7	\$422	\$—

(Unaudited)

Expense Examples

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

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from June 1, 2019 through November 30, 2019.

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

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

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

	Actual	Hypothetical	Actual	Hypothetical	Annualized
Beginning	Ending	Ending	Expenses	Expenses	Expense
Account	Account	Account	Paid	Paid	Ratio
Value	Value	Value	During	During	During
6/1/19	11/30/19	11/30/19	Period	Period	Period
			6/1/19-	6/1/19-	6/1/19-
			11/30/19*	11/30/19*	11/30/19
\$1,000.00	\$1,055.80	\$1,020.50	\$4.63	\$4.55	0.90%

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

Proxy Voting and Portfolio Holdings Information

Proxy Voting:

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

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

Availability of Schedules of Portfolio Investments:

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

Privacy Policy

Protecting the Privacy of Information

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

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

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

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

15935 La Cantera Pkwy
Building Two
San Antonio, Texas 78256



Visit our website at:
usaa.com

Call
(800) 235-8396