



MUTUAL FUNDS

NOVEMBER 30, 2019

Semi Annual Report

USAA Cornerstone Equity 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.

Victory Capital means Victory Capital Management Inc., the investment manager of the USAA Mutual Funds. USAA Mutual Funds are distributed by Victory Capital Advisers, Inc., a broker dealer registered with FINRA and an affiliate of Victory Capital. Victory Capital and its affiliates are not affiliated with United Services Automobile Association or its affiliates. USAA and the USAA logos are registered trademarks and the USAA Mutual Funds and USAA Investments logos are trademarks of United Services Automobile Association and are being used by Victory Capital and its affiliates under license.

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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.

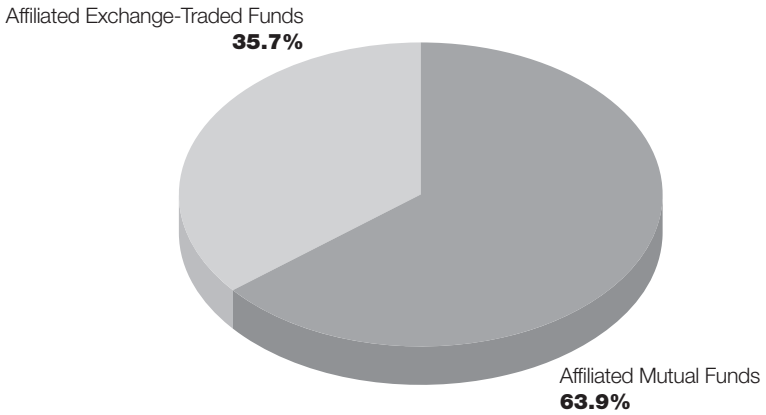
If you do not have a withholding election in place by the date of a distribution, federal income tax will be withheld from the taxable portion of your distribution at a rate of 10%. If you must pay estimated taxes, you may be subject to estimated tax penalties if your estimated tax payments are not sufficient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

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

USAA Cornerstone Equity Fund

November 30, 2019

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

Security Description	Shares	Value
Affiliated Exchange-Traded Funds (35.7%)		
VictoryShares USAA MSCI Emerging Markets Value Momentum ETF	240,400	\$ 10,390
VictoryShares USAA MSCI International Value Momentum Index ETF	589,400	27,130
VictoryShares USAA MSCI USA Small Cap Value Momentum Index ETF (a)	134,800	7,196
VictoryShares USAA MSCI USA Value Momentum Index ETF	624,755	33,169
Total Affiliated Exchange-Traded Funds (Cost \$81,024)		77,885
Affiliated Mutual Funds (63.9%)		
USAA Aggressive Growth Fund, Institutional Shares	218,441	9,893
USAA Capital Growth Fund, Institutional Shares	540,273	6,359
USAA Emerging Markets Fund, Institutional Shares	472,321	8,511
USAA Growth Fund, Institutional Shares	308,150	9,916
USAA Income Stock Fund, Institutional Shares	469,001	9,704
USAA International Fund, Institutional Shares	1,009,314	31,360
USAA Precious Metals and Minerals Fund, Institutional Shares	81,815	1,269
USAA 500 Index Fund, Rewards Shares	674,634	29,900
USAA Small Cap Stock Fund, Institutional Shares	423,519	7,496
USAA Target Managed Allocation Fund	1,333,868	14,966
USAA Value Fund, Institutional Shares	483,717	9,805
Total Affiliated Mutual Funds (Cost \$112,116)		139,179
Collateral for Securities Loaned[^] (0.2%)		
HSBC US Government Money Market Fund, I Shares, 1.58% (b)	473,000	473
Total Collateral for Securities Loaned (Cost \$473)		473
Total Investments (Cost \$193,613) — 99.8%		217,537
Other assets in excess of liabilities — 0.2%		511
NET ASSETS — 100.00%		\$218,048

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

(a) All or a portion of this security is on loan.

(b) Rate disclosed is the daily yield on November 30, 2019.

ETF — Exchange-Traded Fund

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)

	USAA Cornerstone Equity Fund
Assets:	
Affiliated investments, at value (Cost \$193,140)	\$217,064(a)
Unaffiliated investments, at value (Cost \$473)	473
Cash and cash equivalents	799
Receivables:	
Interest	1
Capital shares issued	211
From Adviser	59
Prepaid expenses	1
Total assets	218,608
Liabilities:	
Payables:	
Collateral received on loaned securities	473
Capital shares redeemed	53
Accrued expenses and other payables:	
Compliance fees	—(b)
Other accrued expenses	34
Total liabilities	560
Net Assets:	
Capital	187,308
Total distributable earnings/(loss)	30,740
Net assets	\$218,048
Shares (unlimited number of shares authorized with no par value):	
Fund Shares	14,249
Net asset value, offering and redemption price per share: (c)	\$ 15.30

(a) Includes \$459 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
Equity Fund****Investment Income:**

Income distributions from affiliated funds	\$ 1,194
Interest	8
Securities lending (net of fees)	3
Total income	1,205
Expenses:	
Custodian fees	9
Trustees' fees	20
Compliance fees	1
Legal and audit fees	36
State registration and filing fees	10
Printing fees	24
Sub-Administration fees	7
Other expenses	8
Total expenses	115
Expenses waived/reimbursed by AMCO	(6)
Expenses waived/reimbursed by Adviser	(2)
Net expenses	107
Net Investment Income (Loss)	1,098
Realized/Unrealized Gains (Losses) from Investments:	
Net realized gains (losses) from sales of affiliated funds	238
Net change in unrealized appreciation/depreciation on affiliated funds	18,888
Net realized/unrealized gains (losses) on investments	19,126
Change in net assets resulting from operations	\$20,224

See notes to financial statements.

(Amounts in Thousands)

	USAA Cornerstone Equity Fund	
	Six Months Ended November 30, 2019 (unaudited)	Year Ended May 31, 2019
From Investments:		
Operations:		
Net investment income (loss)	\$ 1,098	\$ 3,596
Net realized gains (losses) from investments	238	5,672
Net change in unrealized appreciation (depreciation) on investments	18,888	(18,237)
Change in net assets resulting from operations	20,224	(8,969)
Change in net assets resulting from distributions to shareholders	—	(11,645)
Change in net assets resulting from capital transactions	(4,464)	22,715
Capital Contribution from USAA Transfer Agency Company	—	1
Change in net assets	15,760	2,102
Net Assets:		
Beginning of period	202,288	200,186
End of period	\$218,048	\$202,288
Capital Transactions:		
Proceeds from shares issued	\$ 17,430	\$ 54,835
Distributions reinvested	—	11,622
Cost of shares redeemed	(21,894)	(43,742)
Change in net assets resulting from capital transactions	\$ (4,464)	\$ 22,715
Share Transactions:		
Issued	1,189	3,727
Reinvested	—	873
Redeemed	(1,492)	(2,970)
Change in Shares	(303)	1,630

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 Equity Fund						
Six Months Ended						
November 30, 2019 (unaudited)	\$13.90	0.08(d)	1.32	1.40	—	—
Year Ended						
May 31, 2019	\$15.49	0.26	(0.99)	(0.73)	(0.25)	(0.61)
Year Ended						
May 31, 2018	\$14.31	0.22	1.26	1.48	(0.22)	(0.08)
Year Ended						
May 31, 2017	\$12.51	0.19	2.02	2.21	(0.19)	(0.22)
Year Ended						
May 31, 2016	\$13.61	0.16	(0.82)	(0.66)	(0.15)	(0.29)
Year Ended						
May 31, 2015	\$13.22	0.24	0.42	0.66	(0.24)	(0.03)

* 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) Amount is less than 0.5%

(f) Reflects increased usage of quantitative investment strategies.

(g) Reflects an increase in trading activity due to asset allocation shifts.

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)
—	\$15.30	10.07%	0.10%	1.04%	0.11%	\$218,048	—%(e)
(0.86)	\$13.90	(4.35)%	0.10%	1.79%(f)	0.13%	\$202,288	11%
(0.30)	\$15.49	10.32%	0.10%	1.46%	0.13%	\$200,186	38%(g)
(0.41)	\$14.31	17.99%	0.10%	1.39%	0.20%	\$143,657	7%
(0.44)	\$12.51	(4.77)%	0.10%	1.36%	0.22%	\$ 99,974	15%
(0.27)	\$13.61	5.08%	0.10%	1.77%	0.24%	\$ 91,726	8%

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 Equity Fund (the "Fund"). The Fund is classified as diversified under the 1940 Act.

The Fund is a "fund of funds" in that it invests in a selection of affiliated mutual funds and exchange-traded funds managed by the Fund's Adviser, Victory Capital Management Inc., an affiliate of the Fund.

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)

(Unaudited)

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

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

Portfolio securities listed or traded on securities exchanges, including exchange-traded funds ("ETFs"), 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, including underlying funds, are valued at net asset value. These valuations are typically categorized as Level 1 in the fair value hierarchy.

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

A summary of the valuations as of 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):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Affiliated Exchange-Traded Funds	\$ 77,885	\$—	\$—	\$ 77,885
Affiliated Mutual Funds	139,179	—	—	139,179
Collateral for Securities Loaned	473	—	—	473
Total	<u>\$217,537</u>	<u>\$—</u>	<u>\$—</u>	<u>\$217,537</u>

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.

*(Unaudited)***Investment Transactions and Related Income:**

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

Securities Lending:

The Fund, through a securities lending agreement with Citibank, N.A. (“Citibank”), may lend its securities to qualified financial institutions, such as certain broker-dealers, to earn additional income, net of income retained by Citibank. Borrowers are required to secure their loans for collateral in the amount of at least 102% of the value of U.S. securities loaned or at least 105% of the value of non-U.S. securities loaned, marked-to-market daily. Any collateral shortfalls associated with increases in the valuation of the securities loaned are cured the next business day once the shortfall exceeds \$100,000. 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>
\$459	\$—	\$473

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

*(Unaudited)***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.S. Government Securities</u>	
<u>Purchases</u>	<u>Sales</u>
\$353	\$3,354

There were no purchases and sales of U.S. government securities during the six months ended November 30, 2019.

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

Effective with the Transaction on July 1, 2019, investment advisory services are provided to the Fund by the Adviser, a New York corporation registered as an investment adviser with the Securities and Exchange Commission ("SEC"). The Adviser is a wholly-owned indirect subsidiary of Victory Capital Holdings, Inc., a publicly traded Delaware corporation, and a wholly-owned direct subsidiary of Victory Capital Operating, LLC. The Adviser does not receive any fees from the Fund for these services.

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. AMCO did not receive any fees from the Fund for these services.

Administration and Servicing Fees:

Effective with the Transaction on July 1, 2019, VCM serves as the Fund's administrator and fund accountant under a Fund Administration, Servicing and Accounting Agreement, VCM does not receive any fees from the Fund for these services.

Prior to the Transaction on July 1, 2019, AMCO provided certain administration and servicing functions for the Fund. AMCO did not receive any fees from the Fund for these services.

(Unaudited)

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 nor SAS received any fees from the Fund for these services. For the year ended May 31, 2019, the Fund recorded a capital contribution and a receivable from SAS of \$1,000 for adjustments related to corrections to certain shareholder transactions.

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 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

(Unaudited)

Fund's business are excluded from the expense limits. Effective July 1, 2019 through November 30, 2019, the expense limit (excluding voluntary waivers) is 0.10%.

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

\$2

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 of 0.10% 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 \$6 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.

The risks of the Fund directly correspond to the risks of the underlying affiliated funds in which the Fund invests. By investing in the underlying affiliated funds, the Fund has exposure to the risk of many different areas of the market. The degree to which the risks described below apply to the Fund varies according to the Fund's asset allocation. For instance, the more the Fund is allocated to stock funds, the greater the risk associated with equity securities. The Fund also is subject to asset allocation risk (i.e., the risk that allocations will not produce the intended results) and to management risk (i.e., the risk that the selection of underlying affiliated funds will not produce the intended results).

In managing a Fund that invests in underlying affiliated funds, the Adviser may have conflicts of interest in allocating the Fund's assets among the various underlying affiliated funds. This is because the fees payable by some of the underlying affiliated funds to the Adviser and/or its affiliates are higher than the fees payable by other underlying affiliated funds, and because the Adviser also manages and administers the underlying affiliated funds.

The Fund may invest in underlying affiliated funds that invest in equity securities, which are subject to stock market risk. Stock prices in general may decline over short or even extended periods, regardless of the success or failure of a company's operations. Equity securities tend to be more volatile than bonds. In addition, to the degree an underlying affiliated 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.

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

(Unaudited)

own management and other fees and expenses, such as trustees' fees, operating expenses, registration fees, and marketing expenses, a proportionate share of which would be indirectly borne by the Fund. As a result, an investment by the Fund in an ETF will cause the Fund to indirectly bear the fees and expenses of the ETF and, in turn, performance may be lower than if the Fund were to invest directly in the securities underlying the ETF. In addition, the Fund will be indirectly exposed to all of the risk of securities 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 (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 annually. Distributable net realized gains, if any, are declared and paid at least annually.

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

(Unaudited)

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).

Year Ended May 31, 2019		
Distributions paid from		
Ordinary Income	Net Long-Term Capital Gains	Total Distributions Paid
\$4,845	\$6,800	\$11,645

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):

Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Unrealized Appreciation (Depreciation)**	Total Accumulated Earnings (Deficit)
\$226	\$5,540	\$4,750	\$10,516

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

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

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):

	Fair Value 5/31/2019	Purchases at Cost	Proceeds from Sales	Realized Gain (Loss)	Capital Gain Distribution	Net Change in Unrealized Appreciation/ Depreciation	Fair Value 11/30/2019	Dividend Income
Affiliated Holdings								
USAA Capital Growth Fund, Institutional Shares	\$ 5,754	\$ —	\$ —	\$ —	\$—	\$ 605	\$ 6,359	\$ —
USAA Target Managed Allocation Fund	13,419	—	—	—	—	1,547	14,966	—
USAA Precious Metals and Minerals Fund, Institutional Shares	1,014	—	—	—	—	255	1,269	—

Notes to Financial Statements — *continued*

USAA Mutual Funds Trust

November 30, 2019

(Unaudited)

	Fair Value 5/31/2019	Purchases at Cost	Proceeds from Sales	Realized Gain (Loss)	Capital Gain Distribution	Net Change in Unrealized Appreciation/ Depreciation	Fair Value 11/30/2019	Dividend Income
USAA Emerging Markets Fund, Institutional Shares	\$ 8,072	\$ —	\$ —	\$ —	\$—	\$ 439	\$ 8,511	\$ —
USAA International Fund, Institutional Shares	29,499	—	(625)	(2)	—	2,488	31,360	—
USAA Small Cap Stock Fund, Institutional Shares	6,653	—	—	—	—	843	7,496	—
USAA Value Fund, Institutional Shares	8,926	—	(216)	(1)	—	1,096	9,805	—
USAA Income Stock Fund, Institutional Shares	8,972	90	(345)	14	—	973	9,704	89
USAA Growth Fund, Institutional Shares	9,330	—	(323)	54	—	855	9,916	—
USAA Aggressive Growth Fund, Institutional Shares	9,083	—	—	—	—	810	9,893	—
USAA 500 Index Fund, Reward Shares	27,607	265	(1,846)	173	—	3,701	29,900	264
VictoryShares USAA MSCI Emerging Markets Value Momentum ETF	10,209	—	—	—	—	181	10,390	28
VictoryShares USAA MSCI International Value Momentum Index ETF ..	25,738	—	—	—	—	1,392	27,130	416
VictoryShares USAA MSCI USA Small Cap Value Momentum Index ETF ..	6,530	—	—	—	—	666	7,196	193
VictoryShares USAA MSCI USA Value Momentum Index ETF	<u>30,132</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,037</u>	<u>33,169</u>	<u>204</u>
Total	\$200,938	\$355	\$(3,355)	\$238	\$—	\$18,888	\$217,064	\$1,194

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	\$1,100.70	\$1,024.50	\$0.53	\$0.51	0.10%

* 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.

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