

# Taxable Income from U.S. Government Sources



## Important State Tax Information 2020

### Direct Obligations of the U.S. Government

Federal law prohibits all states from imposing an income tax on the interest income from direct obligations of the U.S. government.

### Indirect Obligations of the U.S. Government

Some indirect obligations of the U.S. government, such as government-sponsored enterprises, agencies and U.S. territories, may also be excluded from state taxation.

However, states sometimes vary in exempting indirect obligations from state taxation.

### Other Considerations

Several states impose a requirement on mutual funds to invest a minimum percentage of their assets in exempt federal obligations in order to allow the pass-through treatment of earnings from federal obligations. Income earned on the Government Securities obligations and repurchase agreements is typically NOT considered earned from a direct U.S. obligation and is therefore generally NOT exempt from state personal income taxes. The chart on this page shows various types of income earned by each fund. This percentage breakdown of 2020 Ordinary Dividends (Box 1a on Form 1099-DIV) by source may be of use to you, depending on the tax laws of your state or local taxing authority.

Source of Income (SOI%)	Description of Securities						Other — Non-Governmental	Total
	U.S. Government Obligations	Federal Agency Obligations						
	U.S. Treasury Securities	Federal Home Loan Banks (FHLB)	Federal Home Loan Mtg Corp (FHLMC)	Student Loan Marketing Assctn (SLMA)	Tennessee Valley Authority (TVA)			
USAA Aggressive Growth Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Capital Growth Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Cornerstone Aggressive Fund	2.17%	0.00%	1.47%	0.00%	0.00%	96.36%	100.00%	
USAA Cornerstone Conservative Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Cornerstone Equity Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Cornerstone Moderate Fund	12.17%	0.00%	8.80%	0.00%	0.00%	79.03%	100.00%	
USAA Cornerstone Moderately Aggressive Fund	5.27%	0.00%	5.42%	0.00%	0.00%	89.31%	100.00%	
USAA Cornerstone Moderately Conservative Fund	7.40%	0.00%	7.42%	0.00%	0.00%	85.18%	100.00%	
USAA Emerging Markets Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Extended Market Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Global Equity Income Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Global Managed Volatility Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Government Securities Fund	21.04%	0.00%	44.53%	0.00%	0.00%	34.43%	100.00%	
USAA Growth and Income Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Growth and Tax Strategy Fund	0.05%	0.00%	0.00%	0.00%	0.00%	99.95%	100.00%	
USAA Growth Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA High Income Fund	0.00%	0.00%	0.03%	0.00%	0.00%	99.97%	100.00%	
USAA Income Fund	4.79%	0.00%	2.48%	0.04%	0.00%	92.69%	100.00%	
USAA Income Stock Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Intermediate-Term Bond Fund	2.80%	0.00%	0.92%	0.00%	0.00%	96.28%	100.00%	
USAA International Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Managed Allocation Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Money Market Fund	5.19%	0.00%	0.00%	0.00%	0.00%	94.81%	100.00%	
USAA NASDAQ-100 Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Precious Metals and Minerals Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA 500 Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Science & Technology Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Short-Term Bond Fund	0.73%	0.00%	0.08%	0.00%	0.00%	99.19%	100.00%	
USAA Small Cap Stock Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Managed Allocation Fund	1.12%	0.00%	0.00%	0.00%	0.00%	98.88%	100.00%	
USAA Target Retirement 2020 Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Retirement 2030 Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Retirement 2040 Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Retirement 2050 Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Retirement 2060 Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Target Retirement Income Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Treasury Money Market Fund	72.16%	0.00%	0.00%	0.00%	0.00%	27.84%	100.00%	
USAA Ultra Short-Term Bond Fund	0.09%	0.00%	0.00%	0.00%	0.00%	99.91%	100.00%	
USAA Value Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	
USAA Sustainable World Fund	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	

An amount of 0.0% represents 0.0% or less than 0.1%.

This notice is furnished for informational purposes only. Contact either your personal tax advisor or your state or local taxing authority to determine whether pass-through of interest from federal obligations is allowed and what types of securities qualify as federal obligations.

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