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Investment Services Brochure

March 29, 2024

This brochure provides information about the qualifications and business practices of USAA Investment Services Company (“ISCO”). If you have any questions about the contents of this brochure, please contact us at (800) 531-7960 or visit us online at www.usaa.com. Please note that the information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration does not in any way constitute an endorsement by the SEC or any states’ regulators of an investment adviser’s skill or expertise. Furthermore, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise, or training in providing advisory service to its clients.

Additional information about ISCO is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

This Brochure dated March 29, 2024, is an update to ISCO’s last filing dated May 1, 2023.

March 29, 2024, Update: This Brochure contains revisions to Item 14 about the fact that neither ISCO nor its affiliates receive any referral-related compensation from Victory Capital.

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Item 4 – Advisory Business

This Investment Services Brochure (the “Brochure”) provides information about the qualifications and business practices of USAA Investment Services Company (“ISCO”), as they relate to the provision of advice and the referral of prospective investors to certain third-party investment providers—namely, (1) Charles Schwab & Co., Inc. (“Schwab”), an investment adviser and broker-dealer registered in both capacities with the U.S. Securities and Exchange Commission (“SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”), and (2) Victory Capital Services, Inc. (“Victory Capital”), a broker-dealer registered with the SEC and a member of FINRA.

ISCO is a direct, wholly owned subsidiary of USAA Investment Corporation and an indirect, wholly owned subsidiary of the United Services Automobile Association (“USAA”), a diversified financial services organization. ISCO has been in the investment services and advisory business since 1970. Prior to May 26, 2020, and under the name USAA Investment Management Company (“IMCO”), ISCO operated a full-service broker-dealer and investment advisory business, serving retail and institutional clients. On May 26, 2020, ISCO’s brokerage and advisory businesses, including client accounts, were sold to Schwab Holdings, Inc., an affiliate of Schwab. ISCO no longer (1) performs investment management services, (2) maintains client accounts, (3) offers securities or investment products, or (4) recommends specific securities or investment products. ISCO’s business is now limited to referring prospective investors to Schwab or Victory Capital, performing certain referral-related marketing activities, and providing advice with respect to saving for retirement and retirement income.

Advice

ISCO’s licensed representatives may discuss retirement investments, approach to retirement investing, risk tolerance, asset allocation, retirement income needs, and related topics. In connection with these discussions, a representative may provide a Retirement Income Strategy Report (“RIS”). The RIS is a retirement-focused document that is designed to help the RIS recipient (a “Client”) assess their particular financial goals, savings strategies, potential risks and impediments to achieving financial goals, and income distribution planning as these pertain to retirement. The RIS is not a comprehensive financial plan, but it is intended to facilitate a discussion about saving for retirement and retirement income planning. The advice contained in the RIS is based on information you share with ISCO, and, therefore, depends significantly on the accuracy and completeness of what you supply. Since changes to your information and the assumptions used occur over time, the advice, including the RIS, applies at the point in time that we provide it.

Because ISCO’s representatives are also licensed insurance agents and appointed by USAA-affiliated insurance companies to offer annuities, they may discuss and offer annuities as a retirement income solution in their capacity as, and under the standard of care applicable to, insurance agents.

Depending upon each Client’s circumstances and preferences, ISCO’s representatives may refer Clients to Schwab or Victory Capital for investment needs, including specific investment recommendations. ISCO’s representatives do not make, and the RIS does not contain, any recommendation of any particular product or service, including those offered by either Schwab or Victory Capital.

Clients will, as part of receiving their RIS, also receive a copy of this Investment Services Brochure, ISCO’s Form ADV Part 2B, which contains information about the five ISCO personnel most

responsible for the advice ISCO provides, and ISCO's Form CRS Relationship Summary. These documents contain descriptions of ISCO's advisory business and other disclosures as required by law.

The RIS will only be provided to a Client who agrees to accept the RIS and aforementioned accompanying disclosures via electronic delivery. If a prospective Client is unable or unwilling to accept electronic delivery, an RIS will not be published.

Referrals

ISCO's referral business is conducted by phone, either through licensed representatives of ISCO or through an interactive voice response system where prospective investors respond to phone questions but do not speak to a representative, and electronically, either through emails containing information about Schwab or through a website and mobile platform containing information about Schwab and Victory Capital.

Referrals by representatives are made on the basis of information provided by each prospective investor, including through the RIS if one is created, and the person's preference for a particular product or service. A referral does not constitute a recommendation of any particular product or service offered by either Schwab or Victory Capital. ISCO does not monitor the performance of investments at Schwab or Victory Capital, and ISCO does not consider investment performance at either Schwab or Victory Capital when making a referral.

Referrals to Schwab

As an SEC-registered broker-dealer and investment adviser, ISCO refers prospective investors to Schwab, as well as performs certain marketing services ancillary to such referrals. Schwab is a dually registered investment adviser and broker dealer (holding both registrations with the SEC), as well as a member of FINRA, which offers a variety of investment advisory and brokerage services to its clients. ISCO's referrals of prospective investors to Schwab are not recommendations of specific investments or account types. Schwab, and not ISCO, works with prospective investors to determine what types of investments, accounts, and/or advisory services, if any, are right for them. Prospective investors must decide whether to open an account with Schwab or to engage Schwab for advisory services. Such decisions may be guided by ISCO's provision of information about Schwab and its offerings. ISCO has no authority or responsibility to make such decisions or to affect any relationship between a prospective investor and Schwab.

ISCO and Schwab are independent, separate businesses. Schwab is not an agent of ISCO and is not affiliated, or under common ownership, with ISCO. ISCO does not supervise Schwab or its services, does not monitor or undertake any duty to evaluate the management or performance of any Schwab product or account, and is not obligated to provide updated information about Schwab subsequent to a referral.

ISCO and Schwab have entered into a written agreement, under which Schwab pays ISCO a referral fee that is based on the assets that prospective investors referred by ISCO invest with Schwab. ISCO provides prospective investors who are referred to Schwab for brokerage services with a copy of ISCO's Form CRS Relationship Summary. For prospective investors being referred for advisory services, ISCO provides its Form CRS Relationship Summary as well as a Referral Arrangement Disclosure. These documents contain additional information about ISCO and are made available either at the time of referral or, in certain situations, provided by postal mail shortly thereafter.

Referrals to Victory Capital

In its capacity as a broker-dealer registered with the SEC and a member of FINRA, ISCO also refers prospective investors who express an interest in the USAA 529 Education Savings Plan¹ to Victory Capital and performs referral-related marketing activities for Victory Capital. Victory Capital is itself a broker-dealer registered with the SEC and a member of FINRA that offers, among other things, the USAA 529 Education Savings Plan to its clients. ISCO's referrals to Victory Capital, which are made pursuant to a written referral agreement, are not recommendations of a specific investment or account type. Victory Capital, and not ISCO, will work with prospective investors to determine whether the USAA 529 Education Savings Plan is right for them.

Prospective investors must decide whether to open an account with Victory Capital. Such decisions may be guided by ISCO's provision of information about Victory Capital and its offering. ISCO has no authority or responsibility to make such decisions or to affect any relationship between a prospective investor and Victory Capital. As part of making its referral to Victory Capital, ISCO provides prospective investors with the ISCO Form CRS Relationship Summary. This document contains additional information about ISCO and is made available either at the time of the referral or, in certain situations, provided by postal mail shortly thereafter.

ISCO and Victory Capital are independent, separate businesses. Victory Capital is not an agent of ISCO and is not affiliated, or under common ownership, with ISCO. ISCO does not supervise Victory Capital or its services, does not monitor or undertake any duty to evaluate the management or performance of any Victory Capital product or account, and is not obligated to provide updated information about Victory Capital subsequent to a referral.

Item 5 – Fees and Compensation

ISCO does not charge a fee for producing an RIS or for its referral services. The fees prospective investors may pay at Schwab and Victory Capital are disclosed separately by each firm; however, prospective investors do not pay additional fees at either firm on the basis of having been referred by ISCO. Additional information about ISCO's compensation arrangements with Schwab and Victory Capital are described in Item 14.

ISCO's licensed representatives do not receive commissions for either producing an RIS or for referring prospective investors to Schwab or Victory Capital. ISCO's representatives do receive a salary for the performance of their regular job duties and responsibilities which consist of referral activities, providing advice, and for the work they do on behalf of USAA-affiliated life insurance companies, and they may be eligible to receive corporate bonuses. Representatives have performance objectives that include referrals, which are attained by referrals to certain of ISCO's affiliates as well as to Schwab and Victory Capital, as well as annuity sales and RIS delivery goals. Achievement of performance objectives is the principal consideration when evaluating representatives for pay increases and promotions, and is a factor in determining corporate bonus eligibility and selection for certain development opportunities.

¹ The USAA 529 Education Savings Plan is not owned by, or affiliated with, ISCO or USAA. Victory Capital markets and distributes the USAA 529 Education Savings Plan, and Victory Capital Management, Inc., provides investment management services.

The compensation structure gives ISCO's representatives an incentive to make a referral to Schwab or Victory Capital but does not provide an incentive for ISCO representatives to make a referral to one provider over another. Further, the compensation structure also gives ISCO's representatives, acting as insurance agents for USAA-affiliated life insurance companies, an incentive to offer annuities.

Item 6 – Performance-Based Fees and Side-By-Side Management

ISCO does not perform investment management or account management services. As a result, ISCO does not charge any performance-based fees or otherwise receive compensation based on the performance of such services.

Item 7 – Types of Clients

ISCO's RIS is made available to USAA members² and individuals from the general public who contact ISCO by phone to discuss retirement and retirement-related questions. ISCO's referral services are made available both via phone and online to those inquiring about investment products and services and, for Schwab, through emails to members who may be interested in learning more about Schwab's products and services. Given the limited scope of ISCO's business operations—and the fact that ISCO does not itself perform investment management or account management services—ISCO only provides services to members and individuals from the general public as described in this Brochure.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

ISCO does not perform investment management or account management services, nor does ISCO engage in the trading of securities or provide recommendations of particular securities. Neither the RIS nor ISCO's representatives recommend any particular investment products or services. ISCO refers prospective investors to Schwab and Victory Capital for investment products and services. Investing in securities involves various risks, including the risk of loss. The risks associated with Schwab and Victory Capital products and services will be disclosed by Schwab and Victory Capital, respectively, and prospective investors should review these risks before investing.

Item 9 – Disciplinary Information

ISCO is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ISCO. ISCO has no disciplinary information that is responsive to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

ISCO is an indirect, wholly owned subsidiary of USAA. USAA is a diversified financial services organization that provides many different financial products and services to its members and in some

² USAA is a reciprocal inter-insurance exchange that refers to its customers as "members."

instances members of the general public, including, among other things, property and casualty insurance, life insurance and annuities, and banking services.

ISCO has material business relationships with, and ISCO personnel do work on behalf of, USAA and one or more of its affiliated companies, including:

- USAA Life Insurance Company and its affiliates;
- USAA Federal Savings Bank;
- USAA Savings Bank; and
- USAA Casualty Insurance Company and its affiliates

ISCO is registered with the SEC as both an investment adviser as well as a broker-dealer and is a member of FINRA, and representatives of ISCO who provide the RIS and make referrals are dual-registered as both broker-dealer representatives and as investment adviser representatives. In addition, certain of ISCO's management persons are broker-dealer representatives and/or investment adviser representatives of ISCO.

As discussed above in Items 4 and 5, ISCO's representatives who create the RIS and make referrals hold insurance licenses and are appointed by USAA Life Insurance Company and certain of its insurance affiliates in order to offer annuity products. ISCO's management persons are also management persons of USAA Life Insurance Company and certain of its affiliates. ISCO does not itself offer insurance or annuity products.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ISCO has adopted an Investment Code of Ethics (the "Code"). The Code incorporates policy statements regarding insider trading, among others. The purpose of the Code is to establish minimum standards of ethical conduct for applicable ISCO personnel, guard against conflicts of interest, and help ensure compliance with the federal securities laws and rules applicable to ISCO. All applicable personnel must certify that they have received, read, understood, and agree to comply with the Code. The Code is overseen by the USAA Investments Governance, Risk, and Compliance Committee and enforced by USAA's Enterprise Risk and Compliance office.

A copy of the Code is available upon request.

Item 12 – Brokerage Practices

ISCO does not engage in client securities transactions or trading activities.

Item 13 – Review of Accounts

ISCO does not manage client assets or maintain client accounts.

Item 14 – Client Referrals and Other Compensation

ISCO has entered into separate referral agreements with Schwab and Victory Capital. The referral agreements set forth the terms of the referral-related activities ISCO performs for Schwab and Victory Capital, as well as define the compensation to be paid by these providers in exchange for ISCO

performing such activities. The compensation arrangements with Schwab and Victory Capital differ materially in terms of the referral compensation that is provided.

Schwab compensates ISCO for referrals based on the assets the prospective investors invest with Schwab. Schwab pays ISCO an annual percentage amount of 0.15% (15 basis points) of asset balances in the household accounts of those investors who are referred by ISCO for a period of 24 months from the date of the referral. ISCO does not receive compensation from Schwab for the referral of prospective investors who do not ultimately engage Schwab's services, or for those who have existing accounts at Schwab when they are referred and are not, therefore, prospective Schwab investors at the time of the referral.

Victory Capital no longer compensates ISCO or any ISCO affiliate for referrals of prospective investors. Prior to June 30, 2023, and pursuant to a Stock Purchase Agreement between Victory Capital and an ISCO affiliate, Victory Capital compensated the ISCO affiliate an annual fee based on the assets invested in the USAA Mutual Funds³ and the USAA 529 Education Savings Plan, by USAA members, including, but not limited to, the assets invested by persons referred by ISCO. The fee was paid by Victory Capital annually for each of the four years following the 2019 execution of the Stock Purchase Agreement. Because the annual fee paid by Victory Capital ended four years following the 2019 execution of the Stock Purchase Agreement, Victory Capital paid its final annual fee in 2023; therefore, assets invested by ISCO-referred investors after June 30, 2023, will not result in any payment of compensation from Victory Capital to ISCO or any ISCO affiliate.

ISCO has a conflict of interest to refer prospective investors to Schwab given the referral-related compensation ISCO receives in connection with the Schwab agreement. As described above, ISCO receives compensation from Schwab based on the assets that prospective investors invest with Schwab. ISCO's revenue will therefore increase as prospective investors invest assets with Schwab. By contrast, ISCO receives no referral-related compensation from Victory Capital. ISCO mitigates this conflict of interest by (1) providing information regarding both third-party providers on ISCO's online platform, which a prospective investor may use in selecting Schwab or Victory Capital, and (2) when an ISCO representative is involved, making referrals to Schwab and Victory Capital based on a prospective investor's described interest or preference for particular products or services.

Item 15 – Custody

ISCO does not maintain any client accounts, nor does ISCO serve as custodian for any client accounts.

Item 16 – Investment Discretion

ISCO does not manage client assets, maintain client accounts, or exercise investment discretion on behalf of clients.

Item 17 – Voting Client Securities

ISCO does not manage client securities and, accordingly, does not vote client securities.

³ The USAA Mutual Funds were renamed Victory Funds effective April 24, 2023.

Item 18 – Financial Information

ISCO is required to provide specific financial information and/or disclosures about its financial condition. ISCO has no financial condition that impairs its ability to meet contractual and fiduciary commitments, and ISCO has not been the subject of a bankruptcy proceeding.