



# Important State Tax Information

## Taxable Income from U.S. Government Sources

### 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.

Source of Income (SOI%) Year-End Investments (YEI%) <i>See page 2 for fund totals.</i>	Description of Securities										
	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 Funds	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	
Aggressive Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cornerstone Aggressive	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cornerstone Conservative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cornerstone Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cornerstone Moderate	3.00%	8.94%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%	0.00%
Cornerstone Moderately Aggressive	2.55%	7.35%	0.00%	0.00%	0.00%	0.00%	0.17%	0.00%	0.00%	0.00%	0.00%
Cornerstone Moderately Conservative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Emerging Markets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Extended Market Index	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
First Start Growth	2.07%	5.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Government Securities	0.92%	0.98%	0.01%	0.00%	5.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth & Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth and Tax Strategy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
High Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income	7.47%	12.06%	0.00%	0.00%	1.14%	0.00%	0.38%	0.00%	0.00%	0.00%	0.00%
Income Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Intermediate-Term Bond	0.81%	2.76%	0.00%	0.00%	0.26%	0.00%	0.66%	0.00%	0.00%	0.00%	0.00%
International	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Money Market	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nasdaq-100 Index	0.02%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Precious Metals and Minerals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Return	5.09%	7.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S&P 500 Index	0.00%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Science & Technology	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Short-Term Bond	0.00%	0.00%	0.00%	0.00%	0.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Small Cap Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target Retirement Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target Retirement 2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target Retirement 2030	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target Retirement 2040	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target Retirement 2050	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Return Strategy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Treasury Money Market	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ultra Short-Term Bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
World Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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.

# Important State Tax Information

(continued)

## 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 pages 1 and 2 shows various types of income earned by each fund. This percentage breakdown of 2012 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. The column titled "Year-End Investments" (YEI%) shows the percent of the fund's 2012 year-end portfolio invested in that type of security.

(Continued from page 1)

	Description of Securities (continued)										
	U. S. Territorial Obligations						Other – Non-Governmental		Total		
	Guam		Puerto Rico		Virgin Islands		SOI%	YEI%	SOI%	YEI%	
USAA Funds	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	SOI%	YEI%	
Aggressive Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Capital Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cornerstone Aggressive	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cornerstone Conservative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cornerstone Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cornerstone Moderate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	96.82%	91.06%	100.00%	100.00%	100.00%
Cornerstone Moderately Aggressive	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	97.28%	92.65%	100.00%	100.00%	100.00%
Cornerstone Moderately Conservative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Emerging Markets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Extended Market Index	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
First Start Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	97.93%	94.13%	100.00%	100.00%	100.00%
Government Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	93.87%	99.02%	100.00%	100.00%	100.00%
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Growth & Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Growth and Tax Strategy	0.00%	0.00%	0.00%	0.59%	0.00%	0.00%	100.00%	99.41%	100.00%	100.00%	100.00%
High Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	91.01%	87.94%	100.00%	100.00%	100.00%
Income Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Intermediate-Term Bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	98.27%	97.24%	100.00%	100.00%	100.00%
International	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Money Market	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Nasdaq-100 Index	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	99.98%	99.74%	100.00%	100.00%	100.00%
Precious Metals and Minerals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%	100.00%
Real Return	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	94.91%	92.72%	100.00%	100.00%	100.00%
S&P 500 Index	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	99.85%	100.00%	100.00%	100.00%
Science & Technology	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%	100.00%
Short-Term Bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	99.12%	100.00%	100.00%	100.00%	100.00%
Small Cap Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Target Retirement Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Target Retirement 2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Target Retirement 2030	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Target Retirement 2040	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Target Retirement 2050	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Return Strategy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Treasury Money Market	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Ultra Short-Term Bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
World Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%

\* These funds did not produce a 1099-DIV for 2012.

To order free IRS Publications and/or tax forms directly from the IRS go to [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676). Please contact the Tax Center at 1-800-531-6347 if you have questions about how this supplemental information relates to your 1099 tax documents. USAA Investment Management Company (USAA), Distributor

52239-0113