

USAA Aggressive Growth

Ticker USAUX Load None NAV \$25.49 Yield 0.0% Total Assets \$923 mil M&P Category Large Growth

Management

Portfolio Manager(s)

USAA enlisted Tom Marsico to subadvise this offering in June 2002. Marsico also runs Marsico Focus and Marsico Growth. He has built terrific records at those offerings and at prior charges like Janus Twenty, which he managed until starting his own firm in 1997.

Strategy

Subadvisor Tom Marsico, who took over this portfolio in mid-2002, combines top-down macroeconomic analysis with bottom-up stock-picking. He fills the bulk of the portfolio with steady-growth stocks that he intends to hold for the long haul, but also has owned more-explosive growth names in tech and telecom. He also reserves a portion of the portfolio for relatively inexpensive firms that stand to benefit from a catalyst.

Performance 10-31-03

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
1999	7.95	14.88	1.91	51.19	91.08
2000	16.59	-8.10	3.70	-27.96	-19.95
2001	-34.20	20.85	-30.34	20.25	-33.38
2002	-5.02	-14.78	-12.44	-2.08	-30.60
2003	1.21	13.39	4.76	—	—

Trailing	Total Return%	+/- S&P 500	+/- Russ 1000Gr	%Rank Cat	Growth of \$10,000
3 Mo	7.92	1.35	0.83	25	10,792
6 Mo	20.86	5.24	4.03	17	12,086
1 Yr	22.49	1.70	0.68	30	12,249
3 Yr Avg	-21.04	-12.71	-4.82	87	4,923
5 Yr Avg	2.80	2.27	5.70	21	11,481
10 Yr Avg	7.98	-2.44	-0.86	43	21,549
15 Yr Avg	9.14	-2.64	-1.91	73	37,133

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr Avg	-21.04	82	0.00	8
5 Yr Avg	2.37	14	0.42	15
10 Yr Avg	6.50	32	1.37	30

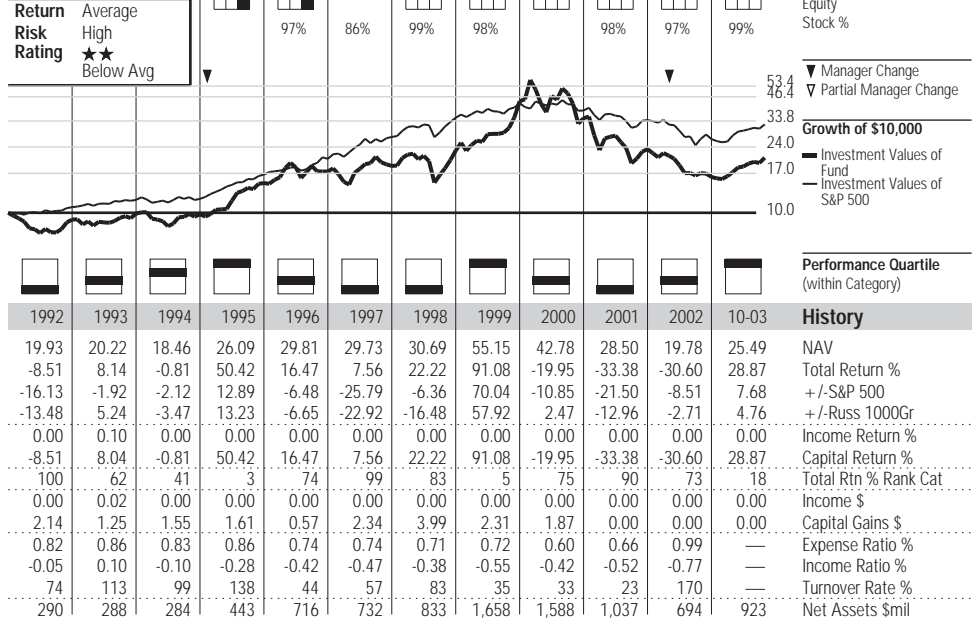
Potential Capital Gain Exposure: 21% of assets

Morningstar's Take by Bridget Hughes 07-14-03

USAA Aggressive Growth is worth owning. This is an eclectic fund. Although the typically large-cap portfolio is often home to market heavyweights, such as General Electric and Citigroup, the investment thesis can, at times, be quite different here. In GE's and Citi's cases, manager Tom Marsico is mostly trying to capture an economic recovery that he believes is coming. With Cisco and Disney, he is trying to capitalize on shorter-term trading opportunities. (The fund still owns Cisco and a bit of Disney, which has been scaled back.) With Sallie Mae, Marsico has a more political opinion: Because the current administration isn't advocating direct lending to students, he believes Sallie Mae will continue to gain market share in student loans.

Marsico's myriad investment rationale has worked well in a variety of markets. After posting topnotch returns during the late-1990s' market frenzy, his Marsico Focus, run the same way as this offering, endured the subsequent bear market with

Historical Profile



Rating and Risk

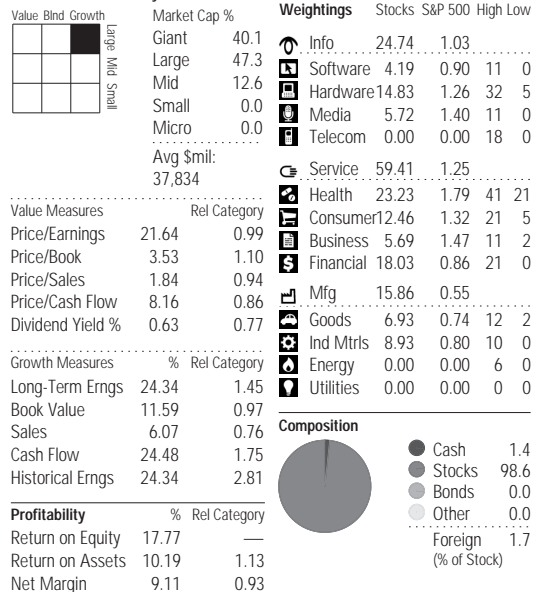
Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	22.49	—	—	—
3 Yr	-21.04	-Avg	High	★★
5 Yr	2.80	+Avg	High	★★
10 Yr	7.98	Avg	High	★
Incept	9.49	—	—	—

Other Measures	Standard Index	Best Fit Index
Alpha	-8.4	-9.7
Beta	1.31	0.94
R-Squared	65	92
Standard Deviation	25.51	—
Mean	-21.04	—
Sharpe Ratio	-0.94	—

Portfolio Analysis 09-30-03

Share change since 12-02	Total Stocks:43	Sector	PE	YTD Ret%	% Assets
SLM	—	Financial	18.2	15.82	5.73
Intel	—	Hardware	64.4	119.96	5.39
Genentech	—	Health	93.8	154.67	5.25
UnitedHealth Group	—	Health	19.5	17.64	5.07
Citigroup	—	Financial	17.3	42.60	4.92
Viacom B	—	Media	28.8	-3.00	4.20
Electronic Arts	—	Software	44.7	101.29	4.13
General Elec	—	Ind Mtrls	20.0	19.25	3.70
Merrill Lynch	—	Financial	19.5	59.99	3.55
Dell	—	Hardware	39.9	35.90	3.54
Cisco Sys	—	Hardware	45.8	74.81	3.54
Lowe's	—	Consumer	28.2	58.14	3.35
FedEx	—	Business	29.2	42.67	3.33
Caterpillar	—	Ind Mtrls	24.8	67.08	3.10
Caremark RX	—	Health	8.1	56.00	2.93
Fannie Mae	—	Financial	14.2	11.68	2.85
Amgen	—	Health	—	26.46	2.75
Procter & Gamble	—	Goods	24.9	15.73	2.69
Zimmer Holdings	—	Health	42.4	57.35	2.49
Wal-Mart Stores	—	Consumer	30.2	16.61	2.36

Current Investment Style



Address: USAA Building
San Antonio, TX 78288
800-382-8722
www.usaa.com

Web Address: www.usaa.com

Inception: 07-29-81

Advisor: USAA Investment Management Company

Subadvisor: Marsico Capital Management, LLC

NTF Plans: DATALynx NTF, Dreyfus LION-NTF

Minimum Purchase: \$3000

Min Auto Inv Plan: \$0

Sales Fees: No-load

Management Fee: 0.50% mx./0.33% mn., 0.15%A

Actual Fees: Mgt:0.35% Dist:0

Expense Projections: 3Yr:\$334 5Yr:\$579 10Yr:\$1283

Income Distrib: Annually

Add: \$50

IRA: \$250

Add: \$50