2019 Annual Report

31 December 2019

Solutions for **YOUR** Financial Future

AAFMAA Board of Directors

As of 31 December 2019

EXECUTIVE COMMITTEE

DENNIS J. REIMER
GEN, USA, Retired
Chairman, Board of Directors*

JOHN A. DUBIA
LTG, USA, Retired
Chairman, Membership Committee*

WILLIAM M. MATZ, JR.
MG, USA, Retired
Chairman, Finance Committee*

WALTER R. LINCOLN, CFP®
MAJ, USA, Retired
President and Treasurer*

*Ex-officio member of all committees

SENIOR MANAGEMENT

WALTER R. LINCOLN, CFP®
President and Treasurer, AAFMAA

MICHAEL J. MEESE, PH.D., FLMI
Executive Vice President and Secretary, AAFMAA

JAMES M. MALLEY, CPA
President, AAFMAA Mortgage Services LLC

STEPHEN C. MANNELL, JR., CTFA
President, AAFMAA Wealth Management & Trust LLC

CARLOS PEREZ, JR., FLMI
Assitant Treasurer, AAFMAA

CHARLES B. BETANCOURT, CCIM
Chief Operating Officer, AAFMAA Property LLC

TIANA FALLAVOLLITA
Vice President Human Resources, AAFMAA

KEVIN A. KINCAID
Chief Marketing Officer, AAFMAA

CHARLENE WILDE, ALMI, ACS
Assistant Secretary, AAFMAA

FINANCE COMMITTEE

WILLIAM M. MATZ, JR.
MG, USA, Retired
Chairman, Finance Committee

DENNIS D. PORTER
COL, USA, Retired
Vice Chair, Finance Committee

JOHN T. RIDGE
CMSgt, USAF, Retired

MACK C. HILL
BG, USA, Retired
Chairman, Audit Sub-Committee

ELISABETH J. STRINES
Col, USAF, Retired

CONTACT US:

WWW.AAFMAA.COM

1-800-522-5221

102 SHERIDAN AVE
FORT MYER, VA 22211

1850 OLD RESTON AVE
RESTON, VA 20190

639 EXECUTIVE PLACE, STE 200
FAYETTEVILLE, NC 28305

291 INDEPENDENCE BLVD, STE 240
VIRGINIA BEACH, VA 23462

1420 COMMONWEALTH DRIVE, STE 202
WILMINGTON, NC 28403

MEMBERSHIP COMMITTEE

JOHN A. DUBIA
LTG, USA, Retired
Chairman, Membership Committee

JANICE M. HAMBY
RADM, USN, Retired
Vice Chair, Membership Committee

LEWIS E. MONROE, III
CMSgt, USAF, Retired

WILSON A. (BUD) SHATZER, JR.
COL, USA, Retired

JONATHAN D. GEORGE
Brig Gen, USAF, Retired

ROBIN H. BOUDIETTE, JR.
CW3, USA, Retired

GEORGE L. HORVATH
CSM, USA, Retired

OUR MISSION

To be the premier provider of insurance, financial, and survivor services to the American Armed Forces Community.

Message from the Chairman

DENNIS J. REIMER
General, USA, Retired
Chairman, Board of Directors

Dear Fellow Members,

In 2019, AAFMAA achieved strong, positive results for you. During the year we celebrated our 140th anniversary. AAFMAA succeeds as the longest-standing non-profit organization taking care of the military because we focus exclusively on YOU—the Member. Our products, services, and the superlative personal service by our employees provide Solutions for **YOUR** Financial Future.

It is my honor, as AAFMAA's Chairman, to lead the Board of Directors. We spent much of 2019 developing and refining AAFMAA's Strategic Plan 2020-2030 that will guide us to continue producing exceptional results and build upon the success of the "AAFMAA 2020" Strategic Plan.

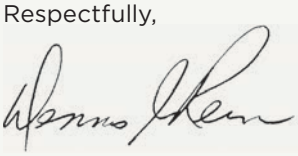
The AAFMAA 2020 Strategic Plan included strategic investments to develop AAFMAA Wealth Management & Trust LLC (AWM&T) and AAFMAA Mortgage Services LLC (AMS). As described in more detail in the following pages, each of these subsidiaries had an incredibly successful year. AWM&T exceeded its goal for private client assets under management, effectively managing $300 million of institutional assets and $75 million of individual wealth. AMS also exceeded its goals, surpassing the $100 million mark in annual loan origination. AMS has become an important provider of mortgages to the military community.

The core of AAFMAA remains its insurance business, which also attained its annual sales goals and developed, or updated, several insurance products to better address your needs. With over 101,000 people insured, we continue providing exceptional service, especially when taking care of the survivors. Our Survivor Assistance Service (SAS) team stays up to date on changes in the law affecting survivors' benefits. Last year the team proactively advised more than 11,000 families ensuring that they received all of the benefits to which they were entitled.

AAFMAA's investments team achieved the highest rate of return in AAFMAA's history. These outstanding investment returns allowed the Board to provide an industry-leading crediting rate of 5.0% or greater on all Value-Added Whole Life, ***ANNUITY***Life®, and Wealth Builder Life Insurance policies in force in 2020. Moreover, as explained in the Message from the President, those crediting rates and policies have been adapted to better address the needs of Members throughout their lifetimes.

While this report covers 2019 results, I'd like to address a subsequent event. Walt Lincoln, our exceptional President and Treasurer for the past two decades, announced that he planned to retire in early 2020. A key function of any Board is the successful implementation of a seamless transition plan. Walt served for almost three decades at AAFMAA and built an incredible team. The entire Board and select external advisors executed the transition plan flawlessly. I encourage you to get to know our new senior management team by reviewing their biographies on the back cover of this report. Effective 16 February 2020, this exceptional team will continue to build on AAFMAA's remarkable success.

Respectfully,



Dennis J. Reimer, GEN, USA Ret
Chairman, Board of Directors

Message from the President and Treasurer

3.7%
NET YIELD ON ASSETS

12.9%
TOTAL RETURN

25%
INTEREST MAINTENANCE RESERVE

$93.6 million
DIRECT MEMBER RETURNS

Dear AAFMAA Members,

After nearly three decades of service at AAFMAA, 20 years of which were as President and Treasurer, I'm delighted to report that 2019 set new records. As an overview, our Total Return (TR) exceeded 12.9%, the highest in AAFMAA's history. TR includes interest, dividends, rents, and capital gains. Net Yield on Assets (NYA) excludes capital gains. In today's low-interest-rate world these results exceed expectations and have allowed the Board to again approve a high crediting rate for 2020.

Consistent with the National Association of Insurance Commissioners (NAIC) procedures, AAFMAA sets aside realized capital gains from bond transactions. In 2019, interest rates trended even lower. In alignment with our highly-disciplined Relative Value investing method, we sold some bonds and realized capital gains. These gains accumulated in the Interest Maintenance Reserve (IMR) and grew from $39.1 million in 2018 to $48.9 million as of 31 December 2019. This 25% increase in the IMR translates into a stream of future capital gains over the next eight years. This withdrawal of deferred income helps cushion AAFMAA in the event of future adverse years.

In 2019, we returned $93.6 million in direct Member benefits, as reflected in the following table:

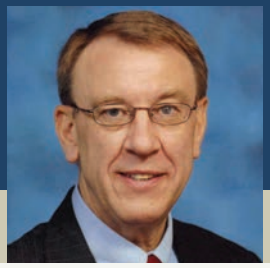
Death Benefits	$ 82.5 M
Surrender Benefits	$ 9.9 M
Cash Value Increases	$ 0.1 M
Member Services	$ 1.1 M
Total Direct Member Returns	**$ 93.6 M**

Each October, we conduct a rigorous Asset/Liability Matching analysis to ensure that income, premiums, and assets can continue to sustain the crediting rates (which determine cash values) and other Direct Member Returns. As part of that analysis, the Treasurer determines the asset allocation. The Relative Value approach (risk adjusted returns) then indicates which marginal adjustments will be made. Each year this ensures efficient allocations to support Strategic Plan objectives. To learn more about AAFMAA's financial standing, please review the Summary of Assets on the next page.

AAFMAA Wealth Management & Trust LLC (AWM&T) has done exceptionally well, led by Steve Mannell. AWM&T provides superior financial planning, investment management, and trust services exclusively for AAFMAA Members. These Members receive the ongoing, tailored, personalized service they need to support their family's financial security and, in many cases, effectively pass wealth to future generations. Please see page 9 for more details.

AAFMAA Mortgage Services LLC (AMS), led by Jim Malley, became a $100 million mortgage provider in 2019 and the VA granted AMS approval to provide its own VA-backed mortgages. Over 300 AAFMAA Members saved thousands of dollars in costs and future interest payments by purchasing or refinancing their homes with AMS. Jim Malley achieved results exceeding plan as he led AMS for the past three years. As part of AAFMAA's succession plan, Jim Malley retired from AMS effective 31 December 2019. Please see page 10 for more details.

WALTER R. LINCOLN, CFP®
Major, USA, Retired
President and Treasurer
As of 31 December 2019



AAFMAA Property LLC (AP) continues to manage an expanding real estate portfolio that provides office space for AAFMAA and provides a healthy return as a portion of AAFMAA's overall assets. The AP properties are 100% leased. Funds from Operations (FFO) grew by 21% compared to 2018. Please see page 11 for more details.

During 2019 we completed every aspect of the "AAFMAA 2020" Strategic Plan. During August 2019, the Board completed and approved the Strategic Plan 2020-2030. In addition to strategic planning, succession planning is a key function of the Board, and as such over the past several years they formalized the succession plan so that 2019 would be my final reporting year. It is my honor to submit this report and I shall happily watch as Mike Meese leads the outstanding team to ever greater success for AAFMAA.

Sincerely,

Walter R. Lincoln

Walter R. Lincoln, CFP®, MAJ, USA Ret
President and Treasurer

Summary of Assets[1]

INVESTMENTS	ADMITTED ASSET VALUE	MARKET VALUE
US and Foreign Government Obligations	$ 222,901,653	$ 235,786,499
Corporate Bonds	491,755,690	541,151,863
Real Estate Mortgages	239,219,600	249,567,392
Cash and Cash Equivalents	41,684,873	41,687,754
Equity Securities[2]	71,307,144	71,307,144
Investment in Subsidiaries	149,288,450	149,288,450
Accrued Investment Income	9,573,319	9,573,319
TOTAL INVESTMENTS	**$ 1,225,730,729**	**$ 1,298,362,421**
Policy Holder Loans	47,184,240	47,184,240
Related Party Receivable, Net	18,552,384	18,552,384
Property & Equipment Net of Accumulated Depreciation	193,261	193,261
Other Assets	1,898,271	1,898,271
TOTAL ASSETS	**$ 1,293,558,885**	**$ 1,366,190,577**

[1] AAFMAA is required to report on a Statutory Accounting basis (Admitted Asset Value), not a GAAP basis. In accordance with AAFMAA's Constitution, this table also reports Market Values.

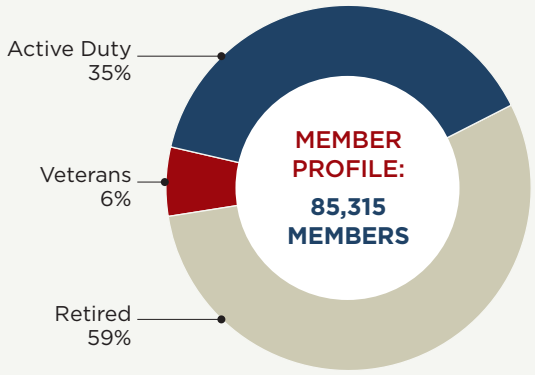
[2] Equity securities, i.e., stocks, under Statutory reporting are "marked to market"; therefore the Admitted Asset Value of stocks equals Market Value. As of 31 December 2019, the cost basis of stocks was $69,884,038 vs. a Market Value of $71,307,144.

Message from the Executive Vice President

For over 140 years, AAFMAA has provided Solutions for **YOUR** Financial Future. We provide you and your family affordable life insurance products to empower you throughout every stage of life. In 2019, we delivered:

- Insurance Sold $1.6 billion
- New Policies Sold 5,495
- Death Benefits Paid $82.5 million
- New Members 3,275
- Total Membership 85,315

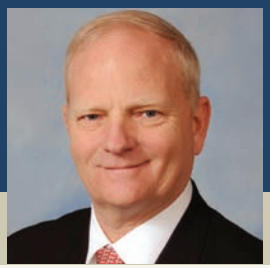
AAFMAA's strength is in the teams of employees dedicated to serving Members throughout every stage of their lives. In 2019, our Applications Processing team focused on increasing efficiency, automating communications, and empowering applicants to check the status of their own applications. We implemented a new "Applicant Center" web portal to enhance the Member experience. From the Applicant Center, prospective Members can view the status of their application, download pre-selected forms, and securely upload documents. Our processors can now send personalized emails customized to address the needs of each applicant. Since implementing the Applicant Center in June, we have seen a 15% increase in same-month approvals.



At the heart of AAFMAA is the mission of the founding Members, as documented in the original constitution: "to aid the families of the deceased Members in a prompt, simple and substantial manner." We currently serve more than 11,600 survivors. In 2019, our exceptional Survivor Assistance Services team provided superlative personal service to the families of 1,092 Members who died during the year. As AAFMAA Members transition from active duty, many receive transition assistance and VA claims coordination from our outstanding Member Benefits team. Last year, our VA Benefit Coordinators assisted Members in submitting 60 VA disability claims resulting in over $616,000 of annual benefits and retroactive payments of over $380,000. They also assisted 180 survivors, who received more than $1.9 million in annual benefits and $193,000 in burial reimbursements.

Our commitment to provide superlative personal service to every Member and survivor remains our top priority in everything we do. Help AAFMAA serve even more families by sharing your story and encouraging them to become Members. Let's grow together in 2020!

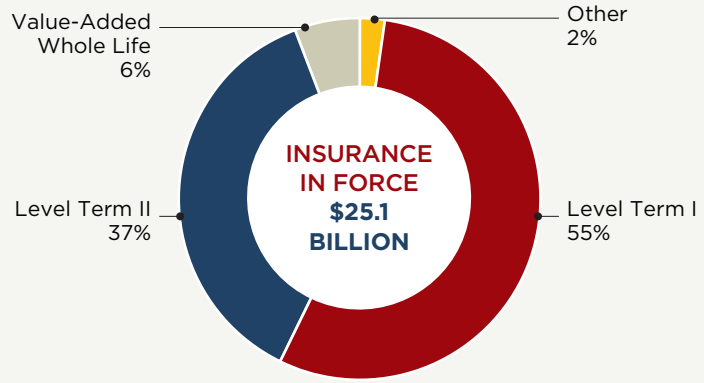
MICHAEL J. MEESE, PH.D., FLMI
Brigadier General, USA, Retired
Executive Vice President and Secretary, AAFMAA
As of 31 December 2019



AAFMAA 2019 Overview

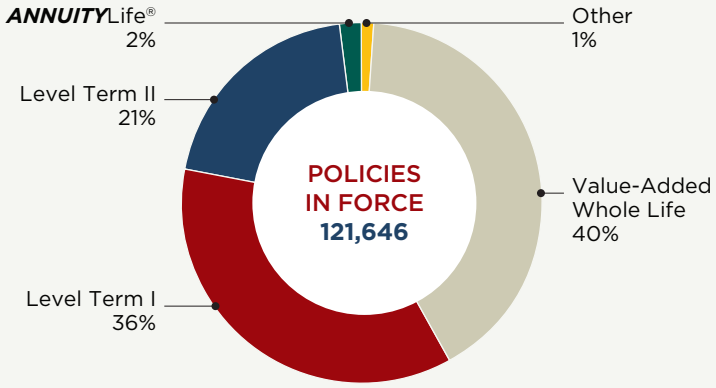
INSURANCE IN FORCE

Beginning of year	$ 25,204,956,371
Insurance sold	$ 1,555,790,210
Death benefit change	$ (310,151,682)
Death benefits incurred	$ (82,489,193)
Other terminations	$ (1,285,379,417)
End of Year	**$ 25,082,726,289**



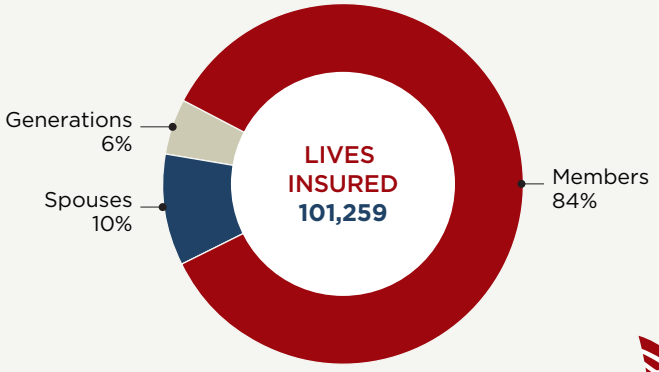
POLICIES IN FORCE

Start of year	122,442
New policies issued	5,495
Policies ended by death	(1,645)
Other net policy terminations	(4,646)
End of Year	**121,646**



LIVES INSURED

Members	85,315
Spouses	9,938
Generations	6,006
End of Year	**101,259**



Statement of Admitted Assets, Liabilities, and Reserves

STATUTORY BASIS ■ FOR THE YEAR ENDED 31 DECEMBER 2019

ADMITTED ASSETS

Fixed Income Securities			
US & Foreign Government Obligations	$ 222,901,653		
Corporate Bonds	491,755,690		
Total Fixed Income Securities		$ 714,657,343	
Real Estate Mortgages		239,219,600	
Cash and Cash Equivalents		41,684,873	
Equity Securities		71,307,144	
Investment in Subsidiaries		149,288,450	
Accrued Investment Income		9,573,319	
Total Investments			**$ 1,225,730,729**
Policy Holder Loans			47,184,240
Related Party Receivable, Net			18,552,384
Property and Equipment, Net of Accumulated Depreciation			193,261
Other Assets			1,898,271
Total Admitted Assets			**$ 1,293,558,885**

LIABILITIES AND RESERVES

Liabilities

Death Benefits Payable		$ 29,912,664	
Accounts Payable		41,297,192	
Deferred Revenue		1,778,783	
Settlement Options Payable		39,687,776	
Accrued Post-Retirement Benefits		6,431	
Total Liabilities			**$ 112,682,846**

Reserves

Insurance and Other		$ 981,887,152	
War Risk		11,094,539	
Interest Maintenance		48,915,268	
Contingency Reserve			
Asset Valuation	$ 36,386,839		
General Contingency	102,592,241		
Total Contingency Reserve		138,979,080	
Total Reserves			**1,180,876,039**
Total Liabilities And Reserves			**$ 1,293,558,885**

Summary Statement of Income

STATUTORY BASIS ■ FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME		
Premiums, Dues, Supplemental Contracts	$ 54,227,212	
Net Investment Income and Capital Gains	53,703,221	
Amortization of Interest Maintenance Reserve	6,214,045	
TOTAL INCOME		$114,144,478

BENEFITS AND EXPENSES			
Death Benefit Claims	$ 82,489,193		
Less War Claims	(1,600,000)		
Plus Actuarial Adjustment	279,202		
Net Death Benefit Claims		$ 81,168,395	
Surrender Benefits		9,931,567	
Supplemental Contracts Payments		2,024,052	
Insurance Expense		(2,375,503)	
General Administrative and Operation Expenses		15,842,883	
TOTAL BENEFITS AND EXPENSES			(106,591,394)
Excess Interest Credited to Policies			(6,536,793)
NET INCOME			$ 1,016,291

Summary Statement of Cash Flows

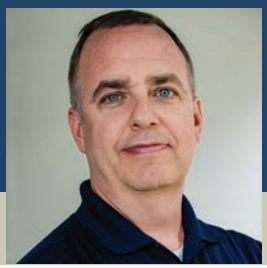
STATUTORY BASIS ■ FOR THE YEAR ENDED 31 DECEMBER 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Collected for Premiums, Services and Investment Activities	$ 92,495,695	
Cash Used for Vendors, Suppliers and Personnel Related Costs	(34,820,355)	
Cash Used to Pay Member Benefits and Services	(84,931,316)	
Net Cash Used by Operating Activities		$ (27,255,976)
Net Cash Provided by Investing Activities		48,657,158
Increase in Cash and Cash Equivalents		$ 21,401,182

CASH AND CASH EQUIVALENTS	
Beginning of Year	20,283,691
End of Year	$ 41,684,873

For a copy of the full, audited Financial Statements, please email *finance@aafmaa.com*

AAFMAA
Life Insurance



CHARLENE WILDE, ALMI, ACS
Assistant Secretary, AAFMAA

CLIFTON BROWN, FLMI, AIRC, ACS
Vice President, Insurance Operations, AAFMAA

AAFMAA LIFE INSURANCE continued to grow in 2019. We protect the lives of over 101,000 AAFMAA Members and their families with more than $25 billion of insurance. Our spectacular employees work hard for you and your loved ones to achieve our Vision: to ensure the financial security and independence of the members of the American Armed Forces community.

To better provide Solutions for **YOUR** Financial Future, AAFMAA significantly improved its whole life insurance offerings to tailor them to what you need at every stage in your life. AAFMAA now has several different whole life policies, each with a specific purpose.

5.5%
VAWL CREDITING RATE

Value-Added Whole Life (VAWL) is the most common AAFMAA policy type and includes flexible premium schedules, in which a Member can pay throughout their life or over a shorter period. It builds cash value and individuals can take loans of up to 75% of the cash value in the policy. Because Members generally keep these policies for the longest period, Value-Added Whole Life policies earn AAFMAA's highest crediting rate of 5.5% in 2020.

5.25%
WBLI CREDITING RATE

Wealth Builder Life Insurance (WBLI) is a single premium whole life insurance policy with a deferred annuitization option, available after holding the policy for 10 years (similar to a Single Premium Deferred Annuity). After holding the policy for 10 years, an owner can annuitize the cash value of a WBLI policy to provide a stream of payments for life. WBLI earns a crediting rate of 5.25% in 2020.

5.0%
***ANNUITY*Life® CREDITING RATE**

ANNUITY*Life®** is a single premium whole life insurance policy with an annuitization option that is available immediately (similar to a Single Premium Immediate Annuity) or at any point in the future. An owner can annuitize the cash value of an ***ANNUITYLife policy to provide a stream of payments for life. ***ANNUITY***Life policies earn a 5.0% Crediting Rate in 2020, because annuitization is likely soon after purchase.

Each of these policies have NO commissions, NO surrender charges, NO upfront fees, and earnings on the policies are tax-deferred. Additionally, each policy includes a Long-Term Care Settlement Option at no additional cost. These policies complement the existing term insurance policies and Generations Plus policy for children to provide a complete suite of options to protect you and your family throughout your life.

In addition to the policies above, to meet needs at life's final stage, AAFMAA created the **Veteran Survivor Plan**. This is a guaranteed-acceptance whole life insurance policy offering coverage from $10,000 to $25,000 with NO medical underwriting. The policy provides permanent insurance for those who might not qualify for other insurance. Moreover, every policy includes AAFMAA's exclusive Survivor Assistance Services (SAS), Digital Vault, and annual Family Information Report (FIR). Policy benefits are limited to return of premiums, plus interest during the first two years. Visit *aafmaa.com/survivor* to learn more about this unique policy.

Our teams of experts in Sales, Survivor Assistance, Member Benefits, Applications Processing, and VA Benefits are committed to providing you and your family with superlative, personal service throughout every stage of your life. We look forward to serving you in the year to come.

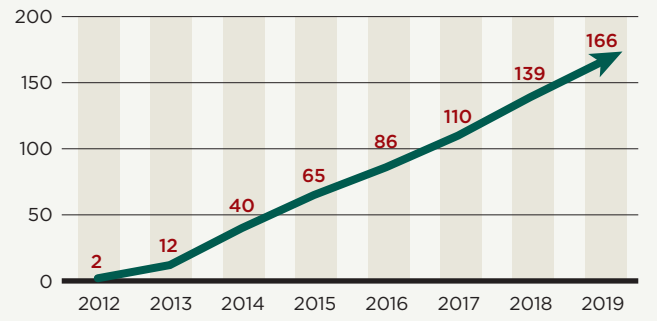
AAFMAA
Wealth Management & Trust LLC

STEPHEN C. MANNELL, JR., CTFA
Lieutenant Colonel, USA, Retired
President, AAFMAA Wealth
Management & Trust LLC

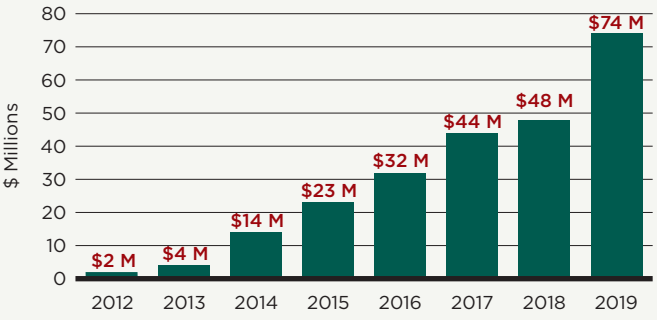
AAFMAA WEALTH MANAGEMENT & TRUST (AWM&T) is a wholly-owned subsidiary of AAFMAA. As AAFMAA's Trust Company, AWM&T manages a portfolio of AAFMAA equity and bond investments for AAFMAA Members. AWM&T is a government-regulated entity with a legal fiduciary responsibility to put your needs first. As a trust company, we have the know-how to protect your assets and help accomplish your financial objectives for your beneficiaries. Furthermore, AWM&T delivers customized wealth management solutions for military families that can help to preserve your legacy for many generations to come.

In 2019, the number of AAFMAA Members enjoying personal wealth management service increased by 19%. Investment management services grew 31%, and financial planning services — a tremendous value for our Members — grew an amazing 74%. To serve these new AWM&T Members, we continue to add new Relationship Managers. These wealth management professionals serve as your personal AWM&T representative, coordinating a staff of financial planning, investment management, and trust administration experts in direct support of your family's financial needs. Our Relationship Managers work closely with you to make smart investment management decisions, review progress, and maintain a clear and consistent focus on your goals.

AWM&T Relationships



Member Assets Under Management



In 2019, we responded to the growing demand for service by adding additional staff and increasing the investment in our staff's knowledge, systems, and processes to enhance the quality of the financial planning, investment management, and trust services available to you. We proudly embrace our duty to act with the highest standards of care, loyalty, and trust in your best interest.

Ready to start a conversation with a Relationship Manager about your financial future? Contact us today at 800-522-5221 or visit *aafmaa.com/wealth*. Whether you're just starting your military career or are a veteran who served your nation long ago, you deserve wealth management solutions designed exclusively for you.

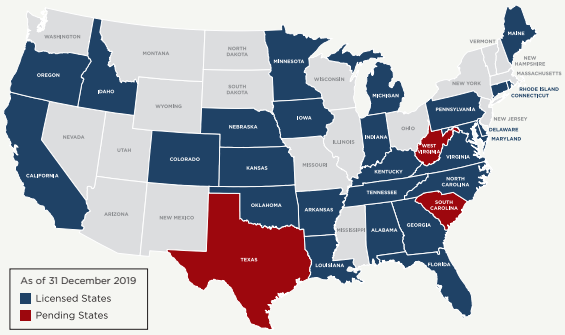
AAFMAA
Mortgage Services LLC

JAMES M. MALLEY, CPA
President, AAFMAA Mortgage Services LLC
As of 31 December 2019

AAFMAA MORTGAGE SERVICES LLC (AMS) (NMLS 1423968, Equal Housing Lender) began operations in 2016 as a wholly-owned subsidiary of AAFMAA. AMS provides current and former military servicemembers with cost-effective mortgage solutions that provide financial security and confidence when making one of their largest purchases — their home. AMS also provides refinancing options to help military families lower their monthly payments, decrease their interest rates, and/or get cash for home improvements or debt consolidation.

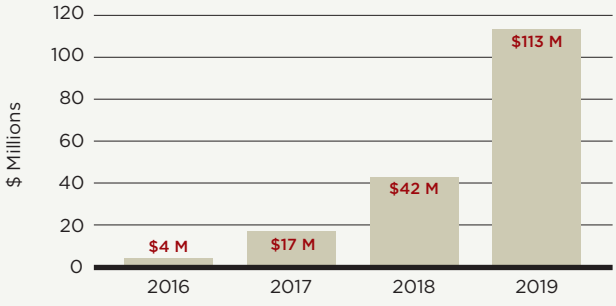
In 2019, AMS expanded operations by providing competitive mortgage rates, timely closings, and superlative personal service throughout the mortgage process. AMS helped 337 AAFMAA Members and achieved the following results:

- Originated $113.4 million of residential mortgages compared to $42.8 million in 2018.
- 52% of loans originated were to new AAFMAA Members.



- Expanded AMS's presence by becoming licensed in 8 additional states for a total of 26 states: AL, AR, CA, CO, CT, DE, FL, GA, IA, ID, IN, KS, KY, LA, MD, ME, MI, MN, NC, NE, OK, OR, PA, RI, TN and VA.
- Provided our unique, proprietary product, Construction Advantage, to help AAFMAA Members build their dream homes. AMS delivered full-service funding and support to Members throughout the construction process and followed up with a permanent mortgage after construction was completed.
- Expanded the sales and operations staff in our four office locations: Fayetteville, NC; Reston, VA; Virginia Beach, VA; and Wilmington, NC.
- Launched a new operations system to further streamline the mortgage process with AAFMAA Members, new prospects, and business partners.

Annual Mortgage Loan Volume

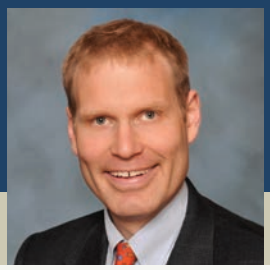


All members of the military community can count on the mortgage solutions that AMS provides with pride. Our state-licensed Military Mortgage Advisors understand that each Member has unique mortgage needs and will guide you through the intricacies of the residential mortgage process. Whether it is a VA, FHA, USDA, conventional, jumbo, super jumbo, or other mortgage product, we will identify what is best to meet your home financing needs.

If you need a mortgage to build or buy the home of your dreams, or refinance your existing mortgage, please call us today at 800-522-5221 or visit *aafmaa.com/mortgage*.

WWW.AAFMAA.COM/MORTGAGE 800-522-5221, OPTION 7

AAFMAA
Property LLC



CHARLES B. BETANCOURT, CCIM
Chief Operating Officer
AAFMAA Property LLC

AAFMAA PROPERTY LLC (AP), a wholly-owned subsidiary of AAFMAA and its real estate equity investment arm, holds properties in subsidiary LLCs to minimize liabilities of real estate investments. AP adds to the diversification of AAFMAA's investment portfolio and generates an attractive risk adjusted rate of return, benefiting all AAFMAA Members. Ownership of hard assets is especially valuable to the financial security of AAFMAA's Members during uncertain times. In addition to supporting AAFMAA's investments, AP provides and manages the facilities for AAFMAA operations in Reston, VA and Fayetteville, NC.

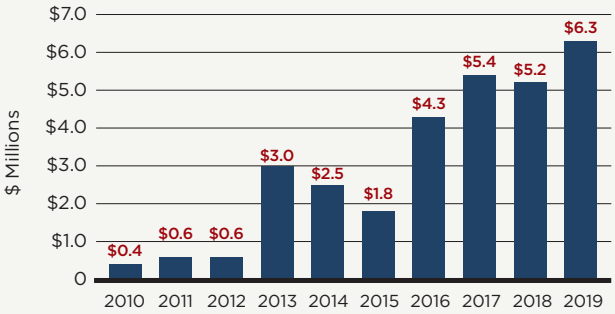
AP seeks opportunities that enhance AAFMAA's investment portfolio and/or provide facilities that support the in-person delivery of AAFMAA's unique products and services to military families throughout the United States.

Significant events for AP in 2019 included:

- Full lease-up of a 95,000-square-foot office building in Chantilly, VA
- Agreement to purchase a pre-leased industrial condominium to support an existing tenant in Palm Desert, CA
- Agreement to purchase a 145,000-square-foot office building in Chantilly, VA

Funds from Operations (FFO) for 2019 totaled $6.3 million, compared to FFO of $5.2 million in 2018. The increase in FFO is due to additional revenue earned from new lease commencements in AP's Northern Virginia portfolio. FFO, a standard measurement for real estate entities, measures performance based on net income, excluding gains (or losses) from sales of property, plus depreciation and amortization expenses. Depreciation and amortization expenses are non-cash accounting conventions. For a tax-exempt entity, such as AAFMAA, these expenses are not relevant to measure the success of AP's real estate investments. Throughout 2019 AP continued to attract new tenants and retain existing tenants. As of 31 December 2019, tenants leased 100% of available space.

Funds from Operations (FFO)



36-901 and 36-891 Cook Street
Palm Desert, CA

36-901 Cook Street
Palm Desert, CA

1850 Old Reston Avenue
Reston, VA

SpouseLink.org™
Created by AAFMAA

Share Your Story

We want to hear from you! If you have something you'd like to share with our community, please submit your contribution to *SpouseLinkEditor@aafmaa.com.*

Find us here:
spouselink.aafmaa.com
and on social media:

SPOUSELINK IS ALL ABOUT YOU AND YOUR FAMILY. Our community is a unique space created by AAFMAA to help bridge the distance between family and friends that comes with military life. We share newsworthy topics that help MilSpouses stay connected, including guest bloggers and SpouseLink's partners who share everything from financial advice and breaking military news to trending lifestyle tips, fun travel ideas, and personal experiences. It's all part of helping military spouses and families stay informed, get support, and be inspired.

Our Ambassadors hit some amazing highs in 2019!

- We added two new Ambassadors to our team — at Fort Meade, MD, and Foot Hood, TX.
- Our 10 Ambassadors extended our social media reach throughout their locations, initiating our presence in new places.
- We delivered essential new technology tools to the Ambassadors to assist them in strategic event planning, community growth, and communications, which they are using to help spread awareness of both AAFMAA and SpouseLink.

What's Next?

2020 will mark our 8th Annual SpouseLink Retreat. It's an important part of bringing together our team of Ambassadors, AAFMAA Staff Members, guest speakers and others for teambuilding activities, training, and a brainstorming session focused on helping to improve and expand the SpouseLink community in new and innovative ways.

AAFMAA in the Community

AAFMAA runners outside of AAFMAA and Team Red White and Blue's Hooah Tent at the 35th Annual Army Ten-Miler.

Executive Vice President and Secretary Mike Meese addressing attendees at AAFMAA's 140th Anniversary Celebration in Virginia on June 12, 2019.

AAFMAA Marketing Coordinator Kathleen Lovito and SpouseLink Ambassador Andrea Scherpich (Twentynine Palms) representing AAFMAA as the Grand Title Sponsor of Marine West 2019 aboard Camp Pendleton, CA.

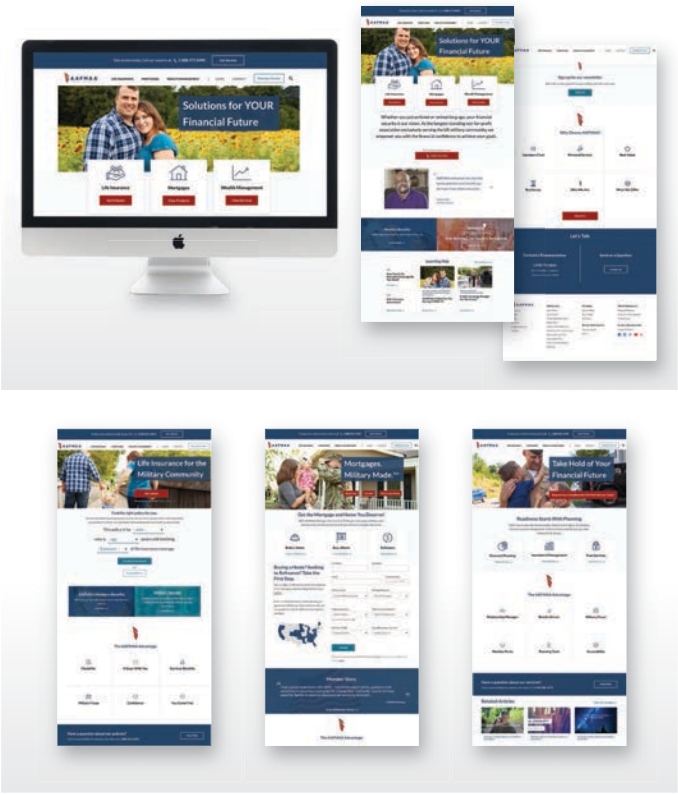
Access AAFMAA Online

In April 2019, we launched our new website providing AAFMAA Members with the best online experience possible. The updated site provides all the same rich information and quality content you've come to expect from AAFMAA, plus easy-to-navigate resources and a mobile-friendly design.

Exclusive Benefits through AAFMAA's Online Member Center

As an AAFMAA Member, you have exclusive access to your own personal, online Digital Vault through the AAFMAA Member Center at no additional cost to you. The Digital Vault provides a place to securely store copies of your essential documents, such as birth certificates, marriage license, and DD 214. You can access your Digital Vault anytime by logging into the AAFMAA Member Center at *connect.aafmaa.com* and selecting "Digital Vault" under the "My Documents" tab.

Through the AAFMAA Member Center, you can also opt into electronic delivery to receive important documents, such as your annual policy statements more quickly. To opt into electronic delivery online, log into the Member Center and select "My Profile" then "Settings." You'll see "Paperless Options" on the right side of your screen. Check the box to update your delivery selection.



Connect With Us Online

AAFMAA is always at your fingertips. Follow us on social media for a first look at Association updates, new webinars, and the latest resources and information to help you secure your financial future.

facebook.com/aafmaa

Linkedin.com/company/aafmaa

@aafmaa

youtube.com/aafmaavideos

A Great Leader and a Great Team

Effective 16 February 2020, the Board of Directors appointed the following Association Officers to lead AAFMAA. The thoughtful, deliberate transition plan ensures that the leadership team is in place and ready to implement the Strategic Plan 2020-2030.

President – Michael J. Meese

Mike serves as President of AAFMAA, overseeing all aspects of the Association to ensure the financial security and independence of the American Armed Forces Community. He joined AAFMAA in 2013 after retiring from the US Army as a Brigadier General with 32 years of service. He started at AAFMAA as Chief Operating Officer and later became Executive Vice President and Secretary. He is a leader in military and Veterans issues, including chairing the 2016-17 Transition Team for the Department of Veterans Affairs.

Treasurer – Carlos Perez

Carlos joined AAFMAA in 2015 and currently serves as Treasurer, responsible for the overall financial integration of AAFMAA assets across all entities. Carlos previously served as Assistant Secretary, Chief Operating Officer of AAFMAA's life insurance business, and Assistant Treasurer. Beyond his experience with AAFMAA, Carlos brings more than 26 years of active duty Army leadership as an Engineer Officer. His expertise includes programming and budgeting, national security policy, and economic policy.

Secretary and Chief Operating Officer – Jerry Quinn

LTC Jerry Quinn (USAR) serves as Chief Operating Officer and Secretary of AAFMAA. His responsibilities are to oversee all operations of life insurance, including new business, policy services, Member benefits, and survivor assistance services. Jerry brings more than 25 years of experience in the financial services industry where he specialized in strategic programs and business development, and has over 34 years in the US Army, including current service in the US Army Reserve.

Assistant Secretary – Charlene Wilde

Charlene joined AAFMAA in 2015 as supervisor of the Survivor Assistance team. In her role as Assistant Secretary, she works closely with the Chief Operating Officer to manage AAFMAA's life insurance business with a focus on contracting, support services, and information technology. Charlene is a Veteran of the US Army Chemical Corps and served six years in the Army, including in company command positions.

AAFMAA®

COMPASSION • TRUST • PROTECTION

102 Sheridan Avenue | Fort Myer, VA 22211-1110

OFFICE HOURS AT ALL LOCATIONS: Monday–Friday, 8:30 a.m.–5:30 p.m., ET

TOLL FREE: 1-800-522-5221 | FAX: 1-888-210-4882

info@aafmaa.com | www.aafmaa.com