



AAFMAA[®]

Advantage

AMERICAN ARMED FORCES MUTUAL AID ASSOCIATION NEWSLETTER

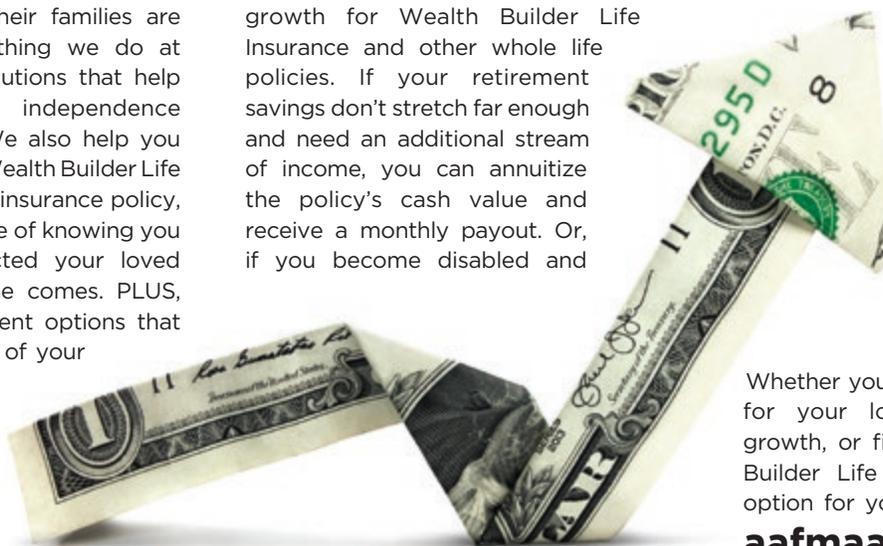
Grow Wealth & Retain Financial Flexibility

Servicemembers and their families are at the heart of everything we do at AAFMAA. We offer solutions that help secure your financial independence throughout your life. We also help you grow your wealth. Our Wealth Builder Life Insurance, a permanent insurance policy, gives you the confidence of knowing you have financially protected your loved ones for when the time comes. PLUS, it also includes settlement options that make it a valuable part of your financial plan.

AAFMAA's crediting rate of 5.75%* provides industry-leading cash value

growth for Wealth Builder Life Insurance and other whole life policies. If your retirement savings don't stretch far enough and need an additional stream of income, you can annuitize the policy's cash value and receive a monthly payout. Or, if you become disabled and

qualify for long-term care, you can choose to convert your death benefit** while you are alive to help pay for the costs of that care. There are NO charges or penalties from AAFMAA if you decide to surrender your policy.



Whether you seek financial protection for your loved ones, cash value growth, or financial flexibility, Wealth Builder Life Insurance covers every option for you. Check it out today at aafmaa.com/wbli.

Essential Documents: An Important Part of Taking Care of Your Survivors

Every AAFMAA policy comes with our hallmark Survivor Assistance Services. But, for your loved ones to get the maximum value from this unique service, you must keep your documents and other essential information current and in our database. When you die, our Survivor Assistance Services team will use your information and documents to notify government agencies and apply for eligible benefits and entitlements for your survivors. For example, we

will apply for survivor benefits for your spouse using your marriage certificate. Our team of VA experts will use your VA disability rating information to apply for disability and survivor benefits from the VA.

Other essential documents to keep on file with AAFMAA include your DD 214, recent military retired pay statement, VA award letters (showing the conditions you are rated for), any

divorce decree(s), and non-AAFMAA life insurance policies.

Update your documents and data anytime on the AAFMAA Member Center at connect.aafmaa.com.

For more information about what documents and information to keep on file, email a Member Benefits representative today at MemberBenefits@aafmaa.com or call 800-522-5221, select option 2, then option 2 again.

*Current crediting rate is 5.75% for 2018 and 2019, minus an administrative cost, currently 0.75% for a net current return of 5.00%. This rate is not guaranteed and is subject to change. The guaranteed crediting rate is 3.5%, minus the administrative fee, for a net guaranteed return of 2.75%.

**Subject to IRS regulations.

Subject to terms and conditions of the policy, including exclusions and limitations. There is no insurance coverage unless you apply and are accepted by AAFMAA, a policy is issued and you pay the required premium. The U.S. Government does not sanction, recommend or encourage the sale of this product. Subsidized life insurance may be available from the Federal Government.

Message from the President



Walter R. Lincoln, CFP®
Major, USA, Retired
President and Treasurer

Dear Fellow Members:

For 140 years AAFMAA has provided products and superlative personal services solely to members of the military community...for those who have worn the uniform to serve and defend our country. All ranks, all services. **The AAFMAA Vision is to ensure the financial security and independence of members of the military community.**

How does AAFMAA deliver on such an important vision? By providing products and services to protect against risk and generate wealth for every Member throughout every stage of life. Active duty, guard, reserve, and honorably discharged Veterans all benefit in many ways:

Life Insurance. Protect your survivors with exceptionally affordable life insurance rates, up to 34% less than SGLI for service members and at least 75% less than VGLI for Veterans. AAFMAA offers individually-tailored term insurance solutions that can fund a college plan for your children or pay off your mortgage should you die unexpectedly. Wealth Builder Life Insurance — with a current 5.75% Crediting Rate (net rate of 5.00% after expenses; subject to change) — provides cash growth at a high rate, while retaining the flexibility you need as you age, all with no medical exam and NO commissions to pay. Value-Added Whole Life provides a great foundation of permanent coverage and offers our Long-Term Care Settlement Option at no additional cost. Generations Plus policies for children and grandchildren make a great gift for the Holidays that they will appreciate for the rest of their lives.

Financial Planning, Investment Management, Trust Services. AAFMAA Wealth Management & Trust LLC (AWM&T), a wholly-owned subsidiary of AAFMAA, provides expert advice to help ensure your investments best support your financial goals. As a fiduciary, AWM&T legally acts in your best interests. NO commissions, NO markups, and NO incentive to provide anything other than unbiased investment advice and management. The market summary (on page 6) reflects the research, insight, and care that AWM&T applies to all Member accounts. You can generate wealth, have that wealth expertly managed by fiduciaries when you no longer can or want to, and continue that management for your surviving spouse, AND legacy to children/grandchildren. Establish your plan with AWM&T NOW. Too often Members wait too long to implement well-intentioned plans and die without adequate preparation. Don't burden your survivors. Establish your relationship with AWM&T today.

Home Equity. For most military families, home ownership remains a significant investment. AAFMAA Mortgage

Services LLC (AMS), a wholly-owned subsidiary of AAFMAA, offers Members the opportunity to buy the home of your dreams...and build wealth through increasing home equity. As a Member, you benefit from low mortgage rates and the same superlative personal service that AAFMAA provides to all Members. AMS is now licensed in 17 states and expanding every year. Check with AMS before you commit to any residential mortgage. Whether you're buying, building, or refinancing a home, don't waste money...call AMS, today.

Retired Pay, Survivor Benefit Plan (SBP), Social Security. The AAFMAA Survivor Assistance Team provides one-on-one personal service upon every Member's death. They ensure that your survivors will receive 100% of the benefits to which they are entitled...you served, you earned those benefits for them! To expedite claims and ease the hassle for your survivors MAKE SURE YOUR ESSENTIAL DATA IS ON FILE. Fill out or update the enclosed form and mail it back to AAFMAA. You never know when it may be too late...so do it NOW. Alternatively update your information online in the AAFMAA Member Center at connect.aafmaa.com. You can also store key documents using AAFMAA's [secure Digital Vault](#) — provided without charge. You should upload your DD 214, marriage certificate(s), VA award letters, active or retired pay statements, and other key documents. Your Digital Vault helps ensure that we will have access to all the documents needed to connect your family to all the benefits you have earned for them. Simply login to the AAFMAA Member Center at connect.aafmaa.com to access your personal Digital Vault under "My Documents."

AAFMAA — your one-stop-shop to participate in America's growth, create wealth for you, your spouse, and your family. Secure the benefits you've earned for you survivors. AAFMAA Life Insurance protects your family, AAFMAA Wealth Management & Trust manages your assets, AAFMAA Mortgage Services helps you build home equity, and AAFMAA Survivor Assistance Services helps claim all the foundational benefits you've earned.



At this time of year we all should be so thankful that we live in the greatest country on earth. Whether in person or in spirit, please extend your thanks to our service members at home and abroad guarding America's freedom and future. Merry Christmas, Happy Hanukkah, Feliz Navidad and every other best wish for the Holidays and a Happy, Healthy, and Prosperous 2019!

Walt

MAJ Walter R. Lincoln, CFP® (USA, Ret.)



Ready to Purchase Your Dream Home? Get Pre-Approved Today

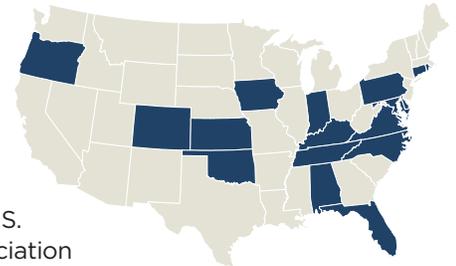
Ready to purchase a home? You should be pre-approved for a mortgage to know what you can afford and to be able to negotiate effectively to get the best deal. AAFMAA Mortgage Services LLC (AMS) is here for you. Our experienced, licensed Loan Officers understand the military community. Plus, because we are part of AAFMAA, a not-for-profit organization, we offer very competitive rates and low fees so we ensure you get the best deal when you qualify for mortgage to make your dream home a reality. Our goal is to make sure that military members and Veterans get the home they deserve, and the service and mortgage they need. We offer a wide range of mortgage products including VA home loans, USDA loans, conventional mortgages, and our proprietary Construction Advantage program if you're seeking to build a new home. It all starts with the first step—Pre-Approval. Visit aafmaa.com/mortgage to get started today. Call 844-422-3622.

AAFMAA Mortgage Services Is Now 17 States Strong and Counting

AAFMAA Mortgage Services is now licensed in 17 states — AL, CO, CT, DE, FL, IN, IA, KS, KY, MD, NC, OK, OR, PA, RI, TN, and VA. We have even more growth planned in 2019, so stay tuned!

Referrals from AAFMAA Members like you are the best compliment, especially when more than 85% of Members surveyed told us they would recommend AMS.

And, to show our appreciation for your enthusiasm, you will receive a special gift and recognition when you refer your qualified military family and friends purchasing or refinancing a home in one of the 17 states to AMS. Call us today at 844-422-3622 or visit our website at aafmaa.com/mortgage for more details.



Streamline Your Home Financing with AAFMAA Mortgage Services

AAFMAA Mortgage Services (AMS) provides the military community an array of mortgage solutions for your new or refinanced home. Our licensed loan experts guide you every step of the way with the same affordable rates and great service AAFMAA Members expect. Whether it is pre-approval, new home construction, home refinance or home purchase, AMS provides assistance in navigating your mortgage process in one of the 17 currently licensed states. Visit aafmaa.com/mortgage for more information about our smooth, hassle-free process uniquely tailored to the military community. Or, talk to one of our Loan Officers — many of whom are Veterans or military spouses like you—at 844-422-3622. Additionally, you can attend any of our upcoming free webinars to learn more about the mortgage process and the kind of expertise available to you from AMS. Visit aafmaa.com/webinars to register.

We exclusively help the military community save money on their mortgages. You can be one of them.



DISCLAIMER: AAFMAA Mortgage Services LLC is an Equal Housing Lender and is a VA-approved lender not acting on behalf, in the direction of, endorsed or sponsored by the Department of Veterans Affairs or any government agency. This is not a commitment to lend or an offer and is for information purposes - Your actual rate, payment and costs could be higher. Not all borrowers will qualify. Get an official Loan Estimate before choosing a loan. This is for VA mortgages (refinance and purchase) only. NMLS ID # 1423968. <http://www.nmlsconsumeraccess.org/>. For further state licensing and disclosures visit www.aafmaa.com/mortgage. 639 Executive Place, Suite 203, Fayetteville, North Carolina 28305. 844-422-3622. Licensed Lender in Alabama 22416, Colorado, Connecticut ML-1423968, Delaware 0243333, Florida MLD1376, Indiana 34842, Iowa MBK-2018-0075, Kansas MC.0025489, Kentucky MC401802, Maryland 22541, North Carolina L-167411, Oklahoma ML011430, Oregon ML-5730, Lender and Broker in Rhode Island 17050098480, Pennsylvania 61781, Tennessee 135339, Lender and Broker in Virginia MC-6685. Contact AAFMAA Mortgage Services LLC for current rates and a full Loan Estimate. This is not an offer and rates displayed may not be available at the time of rate lock. On September 19, 2018 rates and fees for a 30 year term, \$200,000, VA fixed mortgage, with a 720 credit score, in the State of North Carolina were 4.625% with an APR of 4.778%. Loan to value is 100%. Principal Residence. Payment does not include taxes and insurance premiums. The actual payment amount will be greater. Some state and county maximum loan amount restrictions may apply. Payment is \$1,028.28 (principal and interest only). No prepayment penalties. Not all borrowers will qualify. AAFMAA Mortgage Services LLC is a licensed mortgage lender located at 639 Executive Place, Suite 203, Fayetteville, NC 28305, NMLS # 1423968. Disclaimer date of 10/9/18. Disclaimer will be updated in the event promotional items occur or new licenses for AAFMAA Mortgage Services LLC are finalized.



NMLS# 1423968

139th Annual Meeting

[The Annual Meeting convened at 1200 hours, 12 June 2018, at the Army Navy Country Club, Arlington, VA.]

GEN Dennis J. Reimer, (USA, Ret) Chairman of the Board of Directors, called the 139th Annual Meeting to order. GEN Reimer recognized LTG Don Babers, (USA, Ret), Director Emeritus and former Chairman of the AAFMAA Board, and LTG Joe DeFrancisco, (USA, Ret), who is retiring after serving 12 years on the Board, including as Chairman of the Membership Committee and Vice Chairman of the Board.

GEN Reimer recognized three notable AAFMAA Members in attendance: CPT William “Matt” Fava, youngest Member in attendance; COL John E. Wagner, (USA, Ret), longest-tenured Member with more than 64 years of loyal membership; and COL John L. Insani, (USA, Ret), oldest Member in attendance – at age 92!

Last year’s meeting was on 13 June 2017. The minutes were published and distributed to all Members. A motion to waive the reading of the minutes was made, seconded, and the minutes were approved unanimously.

GEN Reimer noted that, for 139 years and counting, AAFMAA has been serving the American Armed Forces community. As our Nation’s longest standing not-for-profit association exclusively serving active duty military and veterans, AAFMAA continues to provide the same superlative personal service that all Members have enjoyed for years. GEN Reimer asked Members to continue to tell others about AAFMAA

so that we can serve even more men and women who have served our great Nation.

GEN Reimer then recognized MAJ Walter R. Lincoln, (USA, Ret), AAFMAA’s President and Treasurer, who provided his report. He began by noting that AAFMAA’s Annual Report has been distributed and is included in his report for reference.

Four factors encapsulate financial results generated for AAFMAA Members and their survivors: the Net Yield on Assets, the Crediting Rate, the Total Return, and the Direct Member Returns.

The Net Yield on Assets reflects the interest, dividends, and rents received, divided by total assets. In 2017, the Net Yield on Assets was 4%.

The Crediting Rate is the rate at which cash values grow in Value-Added Whole Life policies and Wealth Builder Life Insurance policies. In 2017, the Crediting Rate was 5.75%.

The Total Return reflects the overall portfolio return including interest, dividends, and rents plus capital gains. In 2017, the Total Return was 7.8%. AAFMAA achieved this high return by following a very disciplined and quantitative investment approach.

However great the return on the principal, ever more important is the return of the principal. We must always be conscious of risk, but also remember that risk is the price



GEN Reimer, (USA, Ret), Chairman of the Board addresses the Members in attendance.



Attendees at the annual meeting included CPT Matt Fava, COL John Insani (USA, Ret), COL John Wagner, (USA, Ret), Col. Betsy Strines, (USAF, Ret), LTG Don Babers, (USA, Ret) former Chairman of the Board and current Director Emeritus.



Summary Minutes

4.0%

Net Yield
on Assets

7.8%

Total
Return

2017

Financial results generated for
AAFMAA Members and their survivors

5.75%

Crediting
Rate
for 2018

\$88.1 Million

Total Direct
Member Returns



MAJ Walt Lincoln (USA, Ret) addresses the annual meeting.

of progress. To paraphrase President Theodore Roosevelt, the future belongs not to the critic or the carper; the future belongs to the doer of deeds. We will always err; there is no effort without error. But, we shall never give up, never give in; we shall never be with those timid souls who know neither victory nor defeat. Francis Scott Key described America as “the land of the free and home of the brave”. I prefer to think of America as the land of the free *because* of the brave. For 139 years, AAFMAA Members have served, fought, bled and died for America. At AAFMAA, taking care of our Members and their survivors is not *one* of the things we do... it’s the only thing we do!

So, how do we achieve such consistently-high results? And how do those results benefit you and our Association? MAJ Lincoln presented a review of Relative Value Investing and its results for Members and their survivors. The review covered payments made to Members and their survivors and increases to policy cash values. For Value-Added Whole Life and Wealth Builder Life Insurance policies, as cash values grow, generally, death benefits grow. In addition, each year a portion of funds add to the reserves, making AAFMAA ever stronger.

MAJ Lincoln concluded by thanking the entire AAFMAA team for such outstanding, consistent success and expressed appreciation to the Board, and especially to the Members for their continued trust and loyalty.

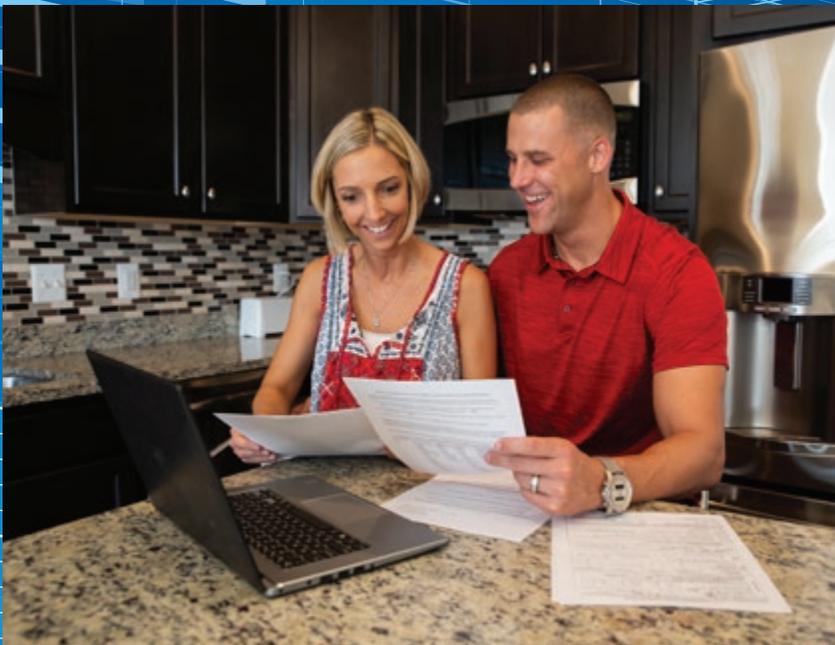
A motion to approve the report of the President and Treasurer was made, seconded and approved unanimously.

GEN Reimer then called on BG Michel J. Meese, (USA, Ret) to provide the results of the Nominating Committee and proxy balloting. The Nominating Committee consisted of: COL Kelly J. Ward, (USA, Ret), Chair, COL Michael A. Wright, (USA, Ret), Member, and LTC John V. Scudder, (USA, Ret), Member.

The committee nominated: CMSAF John T. Ridge, (USAF, Ret) for his third term and Col Elisabeth J. Strines, (USAF, Ret) for her first term. Proxies were received, duly counted and certified by an independent proxy service. All nominees were elected by the membership and their terms will continue until the Annual Meeting in 2022.

Since there was no new business to be brought before the meeting, the 139th Annual Meeting of AAFMAA adjourned at 1245 hours.

AAFMAA WEALTH MANAGEMENT & TRUST



Stock Market Commentary

The Markets: Looking Back and Looking Ahead

The 2018 stock market was a wild ride. It began with the best-performing January in 29 years, the longest stretch without a 5% pullback, and the first 10% correction in years, which occurred over a three-week period. For the ensuing six months, the market worked its way to another record high in September. Then, for the first time since 1950, the market experienced another lightning-fast correction, with many more stocks declining even further.

The bond market has suffered more than stocks, however. The bond index is currently down about 2%, while stocks are slightly positive. Certain corporate and high-yield bonds are down even more, causing default and recession fears to creep into the credit markets. Both investors and politicians heavily scrutinized Federal Reserve comments and actions, as interest rates moved higher throughout the year.

What does all the volatility mean and where do we go for 2019?

Sometimes volatility means nothing, as computer-generated trading can cause temporary distortions in the market. Other times, volatility is a sign that investors are struggling to sort out various issues of concern, and there is no shortage of concerns:

- Where will interest rates go in 2019 and how is the Federal Reserve managing the money supply?
- How will additional tariffs affect U.S. companies?
- Will the strength of the US Dollar impact corporate earnings?
- Will corporate earnings slow down or contract in 2019?
- Is global economic growth in danger of a recession?
- Can the market continue higher or have we already peaked?

In broad terms, AWM&T is positive on the economy, defensive on interest rates and selective on stocks. This viewpoint makes for an interesting investing environment that will be a challenge to navigate, which is why you may want to join us for the 2019 Market Outlook webinar in January. We will share our analysis of the current environment and how we're positioning client portfolios for the coming year. Listeners will also have the opportunity to ask general questions from our Chief Investment Officer, Arthur Lyons. Ensure your place for the January 10 webinar by registering now at aafmaa.com/webinars.



CONTACT

**GENERAL**

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Toll-free: (800) 522-5221

LIFE INSURANCE**Sales**

Toll-free: (800) 522-5221, option 1

Email: Membership@aafmaa.com

Policy Services*Payments, policy loans, beneficiary changes, address updates*Toll-free: (800) 522-5221,
option 1, then option 1 again

Email: PolicyServices@aafmaa.com

Website: www.aafmaa.com/life

Member and Survivor Benefits*Death claims, vault documents, VA assistance, benefits counseling, Family Information Report (FIR)*

Toll-free: (800) 522-5221, option 2

Email: MemberServices@aafmaa.com

AAFMAA WEALTH MANAGEMENT & TRUST LLC*Financial Planning, Investment Management, Trust Services*

Toll-free: (800) 522-5221, option 3

Email: WealthManagement@aafmaa.com

Website: www.aafmaa.com/wealth

AAFMAA MORTGAGE SERVICES LLC*Home Purchasing, Refinancing, Construction Loans*

Toll-free: (800) 522-5221, option 4

Email: Mortgage@aafmaa.com

Website: www.aafmaa.com/mortgage

AAFMAA OFFICES

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639 Executive Place, Fayetteville, NC 28305



Social Security Benefits for Your Spouse and Eligible Former Spouse

When an insured worker starts collecting Social Security retirement benefits, their spouse at Full Retirement Age (FRA) is entitled to 50% of the worker's Primary Insurance Amount (PIA). Unmarried divorced spouses can also receive benefits on their ex-spouse's record, as long as they were married 10 or more years and are age 62 or older. They are eligible regardless of whether their ex-spouse remarries or dies. If the insured worker dies before becoming entitled to Social Security benefits, their widow(er) is entitled to 100% of their PIA at FRA. Before their FRA, a widow(er) is eligible for a permanently reduced benefit as early as age 60.

An important note regarding wages for Veterans: Veterans with qualifying military service may receive extra credit for eligible wages during the time of service. The Social Security Administration adds these credits to your lifetime earnings record. This may increase your monthly Social Security payment. The credit amounts may differ according to time periods served and length of service. Veterans do not need to apply for these special credits, but it's a good idea to check with Social Security to ensure that your earnings history reflects these credits.

We recommend bringing a copy of your DD-214 with you when applying for your benefit. Moreover, this credit also applies to your spouse and former spouse(s) if they are filing based on your earnings. And, if you are still working when your spouse files for Social Security benefits, the filing spouse should ensure that the Social Security representative is aware that these credits apply.

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 www.facebook.com/AAFMAA
 [@aafmaa](https://twitter.com/aafmaa)


AAFMAA CELEBRATES THE MARINE CORPS BIRTHDAY



AAFMAA helped sponsor the November 10th Association's Annual Marine Corps Birthday Celebration in Newport Coast, CA for the 5th year running. Attendees of this year's 243rd celebration include Sergeant Joseph Jaurequizar, USMC; Lance Corporal Seth Harrington, USMC; Executive Assistant Cecillia Rogers, AAFMAA; and Lance Corporal Eric Weisinger.

The appearance of members of the US Marine Corps does not indicate the DoD's support of AAFMAA. The US Government does not sanction, recommend, or encourage the sale of AAFMAA products.



AAFMAA®

YEAR END 2018

Advantage

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AAFMAA—
Solutions for
YOUR Financial
Future