

Dear Fellow SHAREHOLDERS,



March 2015

The year 2014 was a successful year in several ways:

- 1) As shareholders, we enjoyed a **total return of 9.2%**, which was comprised of a dividend yield of 6.3% and an increase in per share book value of 2.9%. Our average total return over the last 20 years has been 9.4%.
- 2) **Total Assets increased 5.7%** (\$2.8 million), which brought our Total Assets past the 50 million dollar milestone to \$51.6 million. Over the last six years (since we began selling annuities), we have grown Total Assets nearly \$30 million, equaling an average annual growth rate of 21% per year.
- 3) We became approved to accept qualified money for our annuities so we are now selling **IRA annuities** to AZ and UT residents. This allows us to tap into the large pool of retirement funds for our annuity products.
- 4) We sold our first **loan participations** to another life insurance company and have received interest from several more life insurance companies. These companies recognize that we have a unique niche and want to participate in some of our loans (buy a part of the loan). We expect loan participations to become a profitable and important method of providing capital for funding loan opportunities.
- 5) We continue **diversifying our geographic lending area**. Ten percent of all loans originated in 2014 were in states other than Arizona. Our goal for 2015 is to have 25% of loans originated be in states other than Arizona (primarily Texas). Geographic diversification of our real estate loans should help us be less susceptible to local real estate market corrections and economic recessions.

First 2015 Semi-Annual Dividend Declared

The Board of Directors has declared an 11.5¢ per share semi-annual dividend to be paid on April 9, 2015 to shareholders of record as of March 31, 2015. This is equivalent to an annualized dividend yield of 6.2%.

The Board intends to declare the second semi-annual dividend in August, to be paid in October. The year 2015 will be the 33rd consecutive year that we have paid cash dividends. Over these 33 years the dividends have increased an average of 5.3% per year.

Building on Our Firm Foundation of 60 Years

On April 6, 2014, American Savings Life Insurance Company celebrated 60 years of business. The Company's first 60 years have provided valuable life insurance coverage and real estate loans to thousands of customers.

As we continue to grow we are able to expand the number of people our Company benefits. We are able to provide better retirement income to more retirees. We are able to provide our unique *Not So Hard MoneyTM* real estate loans to more business owners or real estate investors. As long as we continue to follow the same conservative principles we have established over the last 60 years, this growth will provide for even greater success for all stakeholders of the Company (our shareholders, our customers, our agents and our employees).

The first 60 years delivered substantial value to our shareholders and now provides a firm financial foundation for the Company's future growth. We look forward to continuing the Company's long tradition of creating attractive and dependable shareholder returns while continuing the prudent growth we have produced the past six years.

Indeed, we are very confident about our Company's future. Our investment model described on pages 5-6 has been well tested over the past seven years and has proven to be a successful model. We have developed a unique and rewarding niche within our industry; one that we are confident will continue to benefit all stakeholders in our Company's success.

On behalf of the board of directors and the management team, I want to personally thank you for your trust and support. I am extremely grateful for the opportunity to work with our tremendous staff as together we continue to build an even brighter future on the firm foundation created over the past 60 years.



Byron Frihoff Allen, President

