Performance

The table below shows the annualised performance of the USAF Growth Portfolio, net of manager fees, over various measured periods ended 31 March 2019, compared to the median and top quartile of the Alexander Forbes Global Manager Watch Best Investment View (BIV) survey.

<table>
<thead>
<tr>
<th>Period</th>
<th>USAF Growth Portfolio</th>
<th>Global Manager Watch BIV median</th>
<th>Global Manager Watch BIV top quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>7.1%</td>
<td>6.6%</td>
<td>7.0%</td>
</tr>
<tr>
<td>6 months</td>
<td>1.8%</td>
<td>0.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>1 year</td>
<td>8.4%</td>
<td>6.6%</td>
<td>7.8%</td>
</tr>
<tr>
<td>3 years</td>
<td>7.4%</td>
<td>5.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>5 years</td>
<td>8.1%</td>
<td>7.2%</td>
<td>7.8%</td>
</tr>
<tr>
<td>7 years</td>
<td>12.1%</td>
<td>10.2%</td>
<td>11.3%</td>
</tr>
<tr>
<td>10 years</td>
<td>13.4%</td>
<td>12.5%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Cumulative Performance

The chart below shows the monthly performance of the USAF Growth Portfolio (net of fees) relative to the Strategic Asset Allocation (SAA). The SAA is the assumed long term asset allocation for fully discretionary balanced portfolios. It also shows the cumulative net performance of the Growth Portfolio relative to the SAA and the CPI + 5.0% p.a. inflation benchmark on the right-hand axis.

For the purposes of this report the SAA has been set as follows: SA equity: 42%, SA nominal bonds: 13%, SA inflation linked bonds: 5%, SA cash: 5%, SA listed property: 5%, Global equity: 23%, Global bonds: 4%, Global property: 3%

Risk Statistics

The table below sets out some key risk statistics for the USAF Growth Portfolio relative to the SAA for the period since inception (April 2009) to 31 March 2019.

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Return achieved</th>
<th>Active return¹</th>
<th>Standard deviation²</th>
<th>Downside risk²</th>
<th>Tracking error⁴</th>
<th>Sortino ratio²</th>
<th>Information ratio²</th>
<th>Beta⁶</th>
<th>Drawdown⁷</th>
<th>Active drawdown²</th>
</tr>
</thead>
<tbody>
<tr>
<td>USAF Growth Portfolio (10 years)</td>
<td>13.4%</td>
<td>0.1%</td>
<td>7.4%</td>
<td>5.4%</td>
<td>3.3%</td>
<td>2.5</td>
<td>0.02</td>
<td>91.8%</td>
<td>-9.4%</td>
<td>-11.5%</td>
</tr>
<tr>
<td>SAA (10 years)</td>
<td>13.4%</td>
<td>7.3%</td>
<td>5.5%</td>
<td>2.4</td>
<td>2.5</td>
<td>0.02</td>
<td>91.8%</td>
<td>-7.3%</td>
<td>-11.5%</td>
<td>-11.5%</td>
</tr>
</tbody>
</table>

Notes
1. Active return is the difference between the Actual Return achieved and the benchmark return over the relevant period.
2. Variation of return (standard deviation) is a measure of how widely the return is dispersed – the lower this measure, the less risk. This measure has been annualised.
3. Downside risk measures the dispersion of return below a minimum return (zero) – the lower this measure, the less risk of realising a negative return.
4. The “tracking error” measures how much the return of the actual portfolio differs from the benchmark.
5. Sortino ratio measures the excess return above a minimum accepted return (taken to be zero) divided by the downside risk – it therefore measures the extra return generated per unit of risk of realising a return below zero.
6. The “information ratio” measures the extent to which the actual portfolio has outperformed the benchmark divided by the “tracking error” – it is therefore a measure of the extra return generated per unit of relative risk. An information ratio net of fees of 0.25 and higher is regarded as good.
7. Beta is a measure of the volatility, or systematic risk, of a portfolio relative to the benchmark.
8. The drawdown is the peak-to-trough decline of returns over a specific period.
9. Active drawdown is the peak-to-trough decline of the active returns (relative to the benchmark) over a specific period.
Risk and Return Analysis
The chart below compares the risk (as measured by the standard deviation) and return characteristics of the USAF Growth Portfolio and benchmarks over the five years ended 31 March 2019.

Manager Allocation
The chart below shows the manager allocation of the USAF Growth Portfolio as at 31 March 2019.

Foreign Asset Split
The chart below shows the look-through allocation of the USAF Growth Portfolio's global balanced mandate.

Asset Allocation
The chart below compares the actual asset allocation of the Growth Portfolio as at 31 March 2019 to that of the SAA.

Total Expense Ratio (TER)
The estimated TER for the USAF Growth Portfolio is 0.74% p.a. for the one year ended 31 March 2019.
The TER is an annualised value (typically measured over a rolling three year period or since inception and expressed as %) and expenses included in the TER are:

1. Annual asset management fees;
2. Asset manager performance fees (if any);
3. Bank charges;
4. Audit fees;
5. Taxes (e.g., VAT);
6. Custodian and trustee fees;
7. Costs related to scrip lending (if any).

Disclaimer

This report contains confidential and proprietary information of Willis Towers Watson, and is intended for the exclusive use of the Trustees of USAF. This report, and any opinions on or ratings of investment products it contains, may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without Willis Towers Watson’s prior written permission.

This report is based on information available to Willis Towers Watson at the date of this material and takes no account of subsequent developments after that date. In preparing this report we have relied upon data supplied to us by third parties. Whilst reasonable care has been taken to gauge the reliability of this data, we provide no guarantee as to the accuracy or completeness of this data and Willis Towers Watson and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors or misrepresentations in the data made by any third party.

Towers Watson (Pty) Ltd is an authorised financial services provider.