

MARKET PERFORMANCE OF FINANCIAL SERVICES STOCKS FOR THE QUARTER ENDED SEPTEMBER 29, 2023

In the third quarter of 2023, the U.S. stock market, as measured by the Standard & Poor's 500 index, decreased by 3.3%. Financial services stocks, as measured by the XLF Financial ETF, decreased 1.2%. Insurance stocks, as measured by the Nasdaq Insurance Index, increased by 3.2%. The average total return for

the 137 companies included in this study was 1.7%. Eight sectors outperformed the S&P 500 and two underperformed. Seven sectors posted positive returns and three posted negative returns for the quarter, as shown in Table 1. The top performing sectors were Reinsurance and Specialty.

Table 1

	Median % Total Return Increase <u>6/30/23 - 9/29/23</u>
Reinsurance	5.3
Specialty	4.6
Nasdaq Insurance Index	3.2
Financial Guarantors	3.2
Life & Annuities	3.1
Title Insurers	2.8
Property and Casualty	2.6
Insurance Brokers	1.6
XLF (Financial Sector ETF)	-1.2
Securities Brokers	-2.8
Standard & Poor's 500	-3.3
Asset Managers	-5.6
Insurance Technology	-26.5

The third quarter performance was mixed for most financial services stocks with a number of noteworthy stock increases and decreases. Most financial services companies in this report outperformed the S&P 500 index in the third quarter. The S&P 500 index is largely driven by the Information Technology sector which was down 5.6% for the quarter. P&C and Reinsurance stocks rebounded after ranking last in performance during the second quarter.

The best performing sector for the third quarter was Reinsurance, with a 5.3% median total return. Reinsurers' performance has been reflective of investors' view of the hardening property reinsurance market. SiriusPoint led the sector with a 12.6% total return in the third quarter as the company continued to prioritize underwriting profitability over premium growth, while the top line remained stable. Another Reinsurer, Everest Group, had a total return of

9.2%. Everest Group has been taking advantage of the hard market, generating strong July renewals as rates increase, and was able to add capacity for many clients at appealing returns. The persisting trend of catastrophe losses and an elevated risk environment continue to drive reinsurance prices upward. Reinsurers have also tightened terms and conditions, bumping up deductibles and excluding many secondary perils that were previously included.

Specialty companies had a median total return of 4.6% which was helped by the strong returns of Trupanion and Direct Line Insurance Group. Trupanion rebounded this quarter with a 43.3% total return following the second quarter stock decline of 54.1%. Trupanion is one of the largest providers of pet medical insurance. After a period of margin compression, the company has started to see margins expand and believes it will continue assuming pet care cost inflation persists. Direct Line Insurance's stock gained momentum after the announced sale of the brokered commercial insurance business to RSA Insurance Limited, a subsidiary of Intact Financial Corporation, for £520M. The realized gain on the sale, along with the initial capital release, will increase Direct Line's pro forma solvency capital ratio by 45% to over 190%. This deal allows Direct Line to focus on personal retail and commercial small business customers.

Financial Guarantors had a median total return of 3.2%. All, except one company, in this sector had a positive total return. Assured Guaranty had a total return of 9.0%, driven in part by higher demand for bond insurance. Widening credit spreads have created more of an incentive for the use of financial guaranty insurance, as heightened interest in bond insurance has continued since the onset of the pandemic. MGIC Investment Corporation had a total return of 6.4%. MGIC has repurchased 11.9 million shares year to date through July and has increased the dividend by 15%, generating shareholder value.

Life & Annuities were up 3.1%. Jackson Financial led the sector with a 26.9% total return. As the middle-class nominal income increases, consumers are looking for protection and savings vehicles, and Jackson Financial has taken advantage of this trend, growing the company's Registered Index Linked-Annuity product offering.

In addition, life insurance sales are also up, notably among younger individuals, indicating a heightened awareness for the need of these products. Furthermore, the long-term prospect of higher interest rates would be a positive for the sector.

The Insurance Technology sector was the lowest performing sector with a median total return of -26.5%. Investors have become weary of the sector's underwriting profitability, although there is light at the end of the tunnel. InsurTech companies could see more M&A activity as carriers look towards digitization to realize incremental efficiencies.

The ten best performing and worst performing financial services stocks are exhibited in Tables 2 and 3, respectively. The performance of other individual stocks and sectors is illustrated in Table 4.

Table 2:
Ten Best Performing Financial Services Stocks (\$100M + Market Cap.)

	% Total Return Increase <u>6/30/23 - 9/29/23</u>
Heritage Insurance Holdings	68.6
American Coastal Insurance Corp.	65.0
Trupanion, Inc.	43.3
Erie Indemnity Company	40.7
Jackson Financial Inc.	26.9
Direct Line Insurance Group plc	26.7
ProAssurance Corporation	25.2
Goosehead Insurance, Inc.	18.5
Citizens, Inc.	18.3
Genworth Financial, Inc.	17.2

Table 3:
Ten Worst Performing Financial Services Stocks (\$100M + Market Cap.)

	% Total Return Decrease <u>6/30/23 - 9/29/23</u>
Hippo Holdings Inc.	51.8
SelectQuote, Inc.	40.0
Lemonade, Inc.	31.0
GoHealth, Inc.	26.5
MBIA Inc.	16.6
Maiden Holdings	16.2
James River Group Holdings	15.6
AMBAC Financial Group, Inc.	15.3
NI Holdings, Inc.	13.3
Affiliated Managers Group, Inc.	13.0

*Nasdaq Insurance Index total return is from Bloomberg.

Table 4

		Market Price	Market Price	Percent	Total
		<u>6/30/2023</u>	<u>9/29/2023</u>	Increase / - Decrease	Return
Reinsurance					
SiriusPoint Ltd.	SPNT	\$9.03	\$10.17	12.62%	12.62%
Everest Group, Ltd.	EG	\$341.86	\$371.67	8.72%	9.21%
White Mountains Insurance	WTM	\$1,388.91	\$1,495.69	7.69%	7.69%
RenaissanceRe Holdings	RNR	\$186.52	\$197.92	6.11%	6.31%
AXIS Capital Holdings	AXS	\$53.83	\$56.37	4.72%	5.54%
Reinsurance Group of America	RGA	\$138.69	\$145.19	4.69%	5.32%
Conduit Holdings Limited	CRE - LSE	£461.00	£460.50	-0.11%	3.97%
Greenlight Capital Re	GLRE	\$10.54	\$10.74	1.95%	1.95%
Enstar Group Limited	ESGR	\$244.24	\$242.00	-0.92%	-0.92%
Maiden Holdings	MHLD	\$2.10	\$1.76	-16.19%	-16.19%
Oxbridge Re Holdings Limited	OXBR	\$1.80	\$1.40	-22.22%	-22.22%
Median				4.69%	5.32%
Specialty					
Trupanion, Inc.	TRUP	\$19.68	\$28.20	43.29%	43.29%
Direct Line Insurance Group plc	DLG - LSE	£135.95	£172.20	26.66%	26.66%
ProAssurance Corporation	PRA	\$15.09	\$18.89	25.18%	25.18%
Assurant, Inc.	AIZ	\$125.72	\$143.58	14.21%	14.78%
Tiptree, Inc.	TIPT	\$15.01	\$16.76	11.66%	12.01%
Fairfax Financial Holdings	FFH - TSX	\$992.29	\$1,108.77	11.74%	11.74%
Kinsale Capital Group	KNSL	\$374.20	\$414.13	10.67%	10.71%
Old Republic International Corp.	ORI	\$25.17	\$26.94	7.03%	7.99%
Skyward Specialty Insurance Group	SKWD	\$25.40	\$27.36	7.72%	7.72%
W.R. Berkley Corporation	WRB	\$59.56	\$63.49	6.60%	7.60%
Employers Holdings, Inc.	EIG	\$37.41	\$39.95	6.79%	7.55%
Fidelis Insurance Holdings Limited	FIHL	\$13.65	\$14.68	7.55%	7.55%
Arch Capital Group , Ltd.	ACGL	\$74.85	\$79.71	6.49%	6.49%
Markel Group Inc.	MKL	\$1,383.18	\$1,472.49	6.46%	6.46%
Lancashire Holdings Limited	LRE - LSE	£578.00	£590.00	2.08%	2.79%
Global Indemnity Group	GBLI	\$33.59	\$34.35	2.26%	2.26%
ICC Holdings	ICCH	\$15.83	\$16.10	1.67%	1.67%
RLI Corp.	RLI	\$136.47	\$135.89	-0.43%	-0.22%
Intact Financial Corporation	IFC - TSX	\$204.54	\$198.02	-3.19%	-2.65%
American Financial Group Inc	AFG	\$118.75	\$111.67	-5.96%	-5.46%
AMERISAFE	AMSF	\$53.32	\$50.07	-6.10%	-5.48%
Beazley plc	BEZ - LSE	£589.00	£553.50	-6.03%	-6.03%
Hiscox Ltd	HSX - LSE	£1,091.00	£1,005.00	-7.88%	-6.98%
Kingsway Financial Services	KFS	\$8.15	\$7.55	-7.36%	-7.36%

		Market Price	Market Price	Percent	Total
		6/30/2023	9/29/2023	Increase / - Decrease	Return
Specialty Cont.					
Palomar Holdings	PLMR	\$58.04	\$50.75	-12.56%	-12.56%
AMBAC Financial Group, Inc.	AMBC	\$14.24	\$12.06	-15.31%	-15.31%
James River Group Holdings	JRVR	\$18.26	\$15.35	-15.94%	-15.65%
Conifer Holdings, Inc.	CNFR	\$1.70	\$1.15	-32.34%	-32.34%
Median				4.36%	4.62%

Financial Guarantors					
Assured Guaranty Ltd.	AGO	\$55.80	\$60.52	8.46%	8.97%
MGIC Investment Corporation	MTG	\$15.79	\$16.69	5.70%	6.37%
NMI Holdings	NMIH	\$25.82	\$27.09	4.92%	4.92%
Essent Group Ltd.	ESNT	\$46.80	\$47.29	1.05%	1.55%
Radian Group Inc.	RDN	\$25.28	\$25.11	-0.67%	0.17%
MBIA Inc.	MBI	\$8.64	\$7.21	-16.55%	-16.55%
Median				2.98%	3.23%

Life & Annuities					
Jackson Financial Inc.	JXN	\$30.61	\$38.22	24.86%	26.90%
Citizens, Inc.	CIA	\$2.41	\$2.85	18.26%	18.26%
Genworth Financial, Inc.	GNW	\$5.00	\$5.86	17.20%	17.20%
F&G Annuities & Life	FG	\$24.78	\$28.06	13.24%	14.05%
Corebridge Financial, Inc.	CRBG	\$17.66	\$19.75	11.83%	13.22%
MetLife, Inc.	MET	\$56.53	\$62.91	11.29%	12.19%
Aflac Incorporated	AFL	\$69.80	\$76.75	9.96%	10.59%
Kansas City Life Insurance	KCLI	\$23.25	\$25.50	9.68%	10.29%
Prudential Financial, Inc.	PRU	\$88.22	\$94.89	7.56%	9.03%
Equitable Holdings, Inc.	EQH	\$27.16	\$28.39	4.53%	5.33%
National Western Life Group	NWLI	\$415.56	\$437.49	5.28%	5.28%
Unum Group	UNM	\$47.70	\$49.19	3.12%	3.90%
Brighthouse Financial, Inc.	BHF	\$47.35	\$48.94	3.36%	3.36%
American Equity Investment Life	AEL	\$52.11	\$53.64	2.94%	2.94%
Aviva plc	AV - LSE	£395.20	£389.80	-1.37%	1.60%
CNO Financial Group	CNO	\$23.67	\$23.73	0.25%	0.90%
Manulife Financial Corporation	MFC - TSX	\$25.04	\$24.82	-0.88%	0.64%
Legal & General Group Plc	LGEM - LSE	£227.30	£222.50	-2.11%	0.50%
Globe Life, Inc.	GL	\$109.62	\$108.73	-0.81%	-0.61%
Midwest Holding	MDWT	\$26.32	\$26.15	-0.65%	-0.65%
Primerica, Inc.	PRI	\$197.76	\$194.01	-1.90%	-1.58%

		Market Price 6/30/2023	Market Price 9/29/2023	Percent Increase / - Decrease	Total Return
Life & Annuities Cont.					
Vericity, Inc.	VERY	\$6.03	\$5.90	-2.16%	-2.16%
Lincoln National Corporation	LNC	\$25.76	\$24.69	-4.15%	-2.50%
Principal Financial Group, Inc.	PFG	\$75.84	\$72.07	-4.97%	-4.16%
Voya Financial	VOYA	\$71.71	\$66.45	-7.34%	-6.81%
UTG, Inc.	UTGN	\$38.63	\$34.00	-11.97%	-11.97%
Median				3.03%	3.15%

Title Insurers					
Fidelity National Financial	FNF	\$36.00	\$41.30	14.72%	15.94%
Stewart Info Services	STC	\$41.14	\$43.80	6.47%	7.57%
Doma Holdings Inc.	DOMA	\$4.94	\$5.08	2.83%	2.83%
Investors Title Co	ITIC	\$146.00	\$148.09	1.43%	1.76%
First American Financial	FAF	\$57.02	\$56.49	-0.93%	-0.07%
Median				2.83%	2.83%

Property and Casualty					
Heritage Insurance Holdings	HRTG	\$3.85	\$6.49	68.57%	68.57%
American Coastal Insurance Corp.	ACIC	\$4.46	\$7.36	65.02%	65.02%
Kingstone Companies, Inc.	KINS	\$1.17	\$1.79	52.99%	52.99%
Erie Indemnity Company	ERIE	\$210.01	\$293.79	39.89%	40.70%
First Acceptance Corporation	FACO	\$1.03	\$1.20	16.50%	16.50%
Admiral Group plc	ADM - LSE	£2,082.00	£2,377.00	14.17%	14.79%
Sabre Insurance Group plc	SBRE - LSE	£135.40	£151.40	11.82%	12.46%
Chubb Limited	CB	\$192.56	\$208.18	8.11%	8.55%
Selective Insurance Group	SIGI	\$95.95	\$103.17	7.52%	7.85%
American International Group, Inc.	AIG	\$57.54	\$60.60	5.32%	5.94%
Cincinnati Financial Corporation	CINF	\$97.32	\$102.29	5.11%	5.84%
Progressive Corporation	PGR	\$132.37	\$139.30	5.24%	5.32%
The Allstate Corporation	ALL	\$109.04	\$111.41	2.17%	3.01%
CNA Financial Corporation	CNA	\$38.62	\$39.35	1.89%	2.93%
Berkshire Hathaway Inc.	BRK.A	\$517,810.00	\$531,477.00	2.64%	2.64%
Horace Mann Educators Corporation	HMN	\$29.66	\$29.38	-0.94%	0.18%
Donegal Group Inc.	DGIC.A	\$14.43	\$14.26	-1.21%	-0.04%
Hartford Financial Services Group	HIG	\$72.02	\$70.91	-1.54%	-0.96%
Hanover Insurance Group, Inc.	THG	\$113.03	\$110.98	-1.81%	-1.10%
Safety Insurance Group Inc.	SAFT	\$71.72	\$68.19	-4.92%	-3.68%
Travelers Companies Inc.	TRV	\$173.66	\$163.31	-5.96%	-5.37%

		Market Price	Market Price	Percent	Total
		<u>6/30/2023</u>	<u>9/29/2023</u>	Increase / - Decrease	Return
Property and Casualty Cont.					
Mercury General Corporation	MCY	\$30.27	\$28.03	-7.40%	-6.39%
Universal Insurance Holdings	UVE	\$15.43	\$14.02	-9.14%	-8.15%
HCI Group, Inc.	HCI	\$61.78	\$54.29	-12.12%	-11.50%
United Fire Group Inc.	UFCS	\$22.66	\$19.75	-12.84%	-12.14%
Kemper Corporation	KMPR	\$48.26	\$42.03	-12.91%	-12.35%
Hagerty, Inc.	HGTY	\$9.36	\$8.17	-12.71%	-12.71%
NI Holdings, Inc.	NODK	\$14.85	\$12.87	-13.33%	-13.33%
Hallmark Financial Services	HALL	\$5.40	\$1.92	-64.44%	-64.44%
Median				1.89%	2.64%

Insurance Brokers

Goosehead Insurance, Inc.	GSHD	\$62.89	\$74.53	18.51%	18.51%
Ryan Specialty Holdings, Inc.	RYAN	\$44.89	\$48.40	7.82%	7.82%
Arthur J. Gallagher	AJG	\$219.57	\$227.93	3.81%	4.06%
Brown & Brown Inc.	BRO	\$68.84	\$69.84	1.45%	1.62%
Marsh & McLennan	MMC	\$188.08	\$190.30	1.18%	1.55%
Aon plc	AON	\$345.20	\$324.22	-6.08%	-5.90%
BRP Group Inc.	BRP	\$24.78	\$23.23	-6.26%	-6.26%
Willis Towers Watson	WTW	\$235.50	\$208.96	-11.27%	-10.92%
Median				1.32%	1.59%

Securities Brokers

Goldman Sachs	GS	\$322.54	\$323.57	0.32%	1.16%
JPMorgan Chase & Co.	JPM	\$145.44	\$145.02	-0.29%	0.40%
Charles Schwab Corporation	SCHW	\$56.68	\$54.90	-3.14%	-2.77%
Raymond James Financial	RJF	\$103.77	\$100.43	-3.22%	-2.81%
Morgan Stanley	MS	\$85.40	\$81.67	-4.37%	-3.48%
Bank of America	BAC	\$28.69	\$27.38	-4.57%	-3.77%
Citigroup	C	\$46.04	\$41.13	-10.66%	-9.63%
Median				-3.22%	-2.81%

		Market Price 6/30/2023	Market Price 9/29/2023	Percent Increase / - Decrease	Total Return
Asset Managers					
LPL Financial	LPLA	\$217.43	\$237.65	9.30%	9.45%
Ameriprise Financial	AMP	\$332.16	\$329.68	-0.75%	-0.36%
Bank of New York Mellon	BK	\$44.52	\$42.65	-4.20%	-3.31%
Phoenix Group Holdings plc	PHNX - LSE	£531.80	£482.20	-9.33%	-4.43%
T. Rowe Price Group, Inc.	TROW	\$112.02	\$104.87	-6.38%	-5.34%
BlackRock	BLK	\$691.14	\$646.49	-6.46%	-5.78%
Just Group plc	JUST - LSE	£77.80	£72.00	-7.46%	-6.72%
Franklin Resources	BEN	\$26.71	\$24.58	-7.97%	-6.85%
Invesco Ltd.	IVZ	\$16.81	\$14.52	-13.62%	-12.56%
Affiliated Managers Group, Inc.	AMG	\$149.89	\$130.34	-13.04%	-13.04%
Median				-6.96%	-5.56%

Insurance Technology					
EverQuote, Inc.	EVER	\$6.50	\$7.23	11.23%	11.23%
Root, Inc.	ROOT	\$8.94	\$9.51	6.38%	6.38%
eHealth, Inc.	EHTH	\$8.04	\$7.40	-7.96%	-7.96%
GoHealth, Inc.	GOCO	\$19.71	\$14.49	-26.48%	-26.48%
Lemonade, Inc.	LMND	\$16.85	\$11.62	-31.04%	-31.04%
SelectQuote, Inc.	SLQT	\$1.95	\$1.17	-40.00%	-40.00%
Hippo Holdings Inc.	HIPO	\$16.53	\$7.97	-51.78%	-51.78%
Median				-26.48%	-26.48%