

MARKET PERFORMANCE OF FINANCIAL SERVICES STOCKS FOR THE YEAR ENDED DECEMBER 31, 2023

In 2023, the U.S. stock market, as measured by the Standard & Poor’s 500 index, increased by 26.3%. The Information Technology sector, up 57.8%, was the driving force for the rise in the full index, and contributed to the turnaround from 2022, when the S&P 500 declined by 18.1%. Financial services stocks, as measured by the XLF Financial ETF, increased 12.0%. Insurance stocks, as measured by the

Nasdaq Insurance Index, increased by 10.0%. The average total return for the 136 companies included in this study was 26.5%. Three sectors outperformed the S&P 500 and seven underperformed. All sectors posted positive returns and four sectors posted gains over 20% as shown in Table 1. The top performing sectors were Financial Guarantors, Insurance Technology, and Title Insurers.

Table 1	
	Median % Total Return Increase <u>12/31/22 - 12/31/23</u>
Financial Guarantors	40.3
Insurance Technology	27.7
Title Insurers	27.6
Standard & Poor's 500	26.3
Life & Annuities	20.7
Securities Brokers	13.9
XLF (Financial Sector ETF)	12.0
Nasdaq Insurance Index	10.0
Insurance Brokers	9.9
Reinsurance	8.7
Property and Casualty	8.5
Asset Managers	6.7
Specialty	1.9

While strong overall, individual financial services stock performance was mixed with a number of noteworthy stock increases and decreases. Three of the top five best performing financial services companies in this report were Florida-based P&C insurers following sizeable losses in 2022. Potentially devastating Hurricane

Idalia hit Florida directly, but caused relatively small insured losses.

American Coastal successfully and dramatically restructured its business in 2023 and its share price reflected the positive changes. The company’s share price, down over 75% in 2022, was up 792.5% in 2023. The company exited the personal lines business when the Florida

Department of Financial Services took over its Florida homeowners carrier United P&C and the company agreed to sell its NY homeowners insurer Interboro for roughly book value. American Coastal's commercial lines focus became noticed by investors just as that business reported strong results by taking advantage of the turn in the E&S market.

F&G Annuities & Life was the third best performer of 2023, with a total return of 137.0%. The company provides fixed annuities and indexed universal life insurance through retail channels and provides pension risk transfer and funding agreements through institutional channels. The company delivered record gross sales of \$9.1 billion in the first nine months, including \$7 billion of retail sales, a 17% year-over-year increase. F&G is also boosting its presence in the underserved middle market segments. F&G is uniquely positioned where the company does not have a legacy block of business that is in run-off like its peers. F&G is only generating new business, which has yielded attractive returns. The company also acquired a majority ownership stake in an annuity IMO that is expected to close in early 2024, helping the company position itself as a distribution consolidator.

Skyward Specialty Insurance Group was the sixth best performer of 2023 with a 125.9% total return. Skyward, a specialty lines excess and surplus writer went public in January at a price of \$15.00 per share. Skyward has outperformed the targets set before the IPO, having delivered a low 90s combined ratio each quarter, achieving an ROE of low-mid teens, and growing at double digits each quarter. Skyward has grown more than investors were expecting from an earnings perspective. The company has grown its top line by double digits, with surety and transactional E&S growing exponentially. The company is executing on strong pricing while underwriting complex risks targeting underserved niche markets.

The Life & Annuities sector had M&A activity throughout the year. Midwest Holdings was acquired by Antarctica Capital LLC for \$27.00 per share, a 112% premium for the shares compared to year-end 2022. Vericity, entered into an agreement to be acquired by iA Financial

where Vericity shareholders will be entitled to \$11.43 per share, a 101% premium before the announcement. National Western Life announced an agreement to be acquired by Prosperity Life Group for \$1.9b (\$500 per share), a 77.9% premium from year-end 2022. American Equity Investment agreed to have Brookfield Reinsurance acquire the remaining stake in its company for \$4.3b, in a cash and stock transaction worth \$55.00 per share. Brookfield will pay \$38.85 in cash per share and the rest in Brookfield Asset Management shares to acquire the remaining 80% stake in the company it does not own.

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>12/31/22 - 12/31/23</u>
American Coastal Insurance Corp.	792.5
Heritage Insurance Holdings	262.2
F&G Annuities & Life	137.0
Root, Inc.	133.4
HCI Group, Inc.	126.8
Skyward Specialty Insurance Group	125.9
Goosehead Insurance, Inc.	120.7
SelectQuote, Inc.	103.9
SiriusPoint Ltd.	96.6
eHealth, Inc.	80.2

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

	% Total Return Decrease <u>12/31/22 - 12/31/23</u>
James River Group Holdings	55.2
Trupanion, Inc.	35.8
Hippo Holdings Inc.	32.9
United Fire Group Inc.	24.3
Beazley plc	21.5
ProAssurance Corporation	20.8
Direct Line Insurance Group plc	17.8
EverQuote, Inc.	17.0
Charles Schwab Corporation	16.0
Fidelis Insurance Holdings Limited	9.5

*Nasdaq Insurance Index total return is from Bloomberg.

Table 4

		Market Price 12/31/2022	Market Price 12/31/2023	Percent Increase / - Decrease	Total Return
Financial Guarantors					
Radian Group Inc.	RDN	\$19.07	\$28.55	49.7%	55.3%
MGIC Investment Corporation	MTG	\$13.00	\$19.29	48.4%	51.3%
NMI Holdings	NMIH	\$20.90	\$29.68	42.0%	42.0%
Essent Group Ltd.	ESNT	\$38.88	\$52.74	35.6%	38.6%
Assured Guaranty Ltd.	AGO	\$62.26	\$74.83	20.2%	22.5%
MBIA Inc.	MBI	\$12.85	\$6.12	-52.4%	9.1% ⁽¹⁾
Median				38.8%	40.3%
Insurance Technology					
Root, Inc.	ROOT	\$4.49	\$10.48	133.4%	133.4%
SelectQuote, Inc.	SLQT	\$0.67	\$1.37	103.9%	103.9%
eHealth, Inc.	EHTH	\$4.84	\$8.72	80.2%	80.2%
GoHealth, Inc.	GOCO	\$10.45	\$13.34	27.7%	27.7%
Lemonade, Inc.	LMND	\$13.68	\$16.13	17.9%	17.9%
EverQuote, Inc.	EVER	\$14.74	\$12.24	-17.0%	-17.0%
Hippo Holdings Inc.	HIPO	\$13.60	\$9.12	-32.9%	-32.9%
Median				27.7%	27.7%
Title Insurers					
Stewart Info Services	STC	\$42.73	\$58.75	37.5%	43.2%
Fidelity National Financial	FNF	\$37.62	\$51.02	35.6%	42.1%
First American Financial	FAF	\$52.34	\$64.44	23.1%	27.6%
Investors Title Co	ITIC	\$147.55	\$162.14	9.9%	14.2%
Doma Holdings Inc.	DOMA	\$11.32	\$4.63	-59.1%	-59.1%
Median				23.1%	27.6%

(1) MBIA Inc. declared an extraordinary cash dividend for \$8 per share as of record December 18, 2023 payable on December 22, 2023.

		Market Price <u>12/31/2022</u>	Market Price <u>12/31/2023</u>	Percent Increase / - Decrease	Total Return
Life & Annuities					
F&G Annuities & Life	FG	\$20.01	\$46.00	129.9%	137.0%
National Western Life Group	NWLI	\$281.00	\$483.02	71.9%	71.9%
Jackson Financial Inc.	JXN	\$34.79	\$51.20	47.2%	57.5%
Vericity, Inc.	VERY	\$7.50	\$11.19	49.2%	49.2%
Primerica, Inc.	PRI	\$141.82	\$205.76	45.1%	47.1%
Kansas City Life Insurance	KCLI	\$26.40	\$35.00	32.6%	35.6%
Manulife Financial Corporation	MFC - TSX	\$24.15	\$29.28	21.2%	28.3%
Citizens, Inc.	CIA	\$2.13	\$2.69	26.3%	26.3%
Genworth Financial, Inc.	GNW	\$5.29	\$6.68	26.3%	26.3%
CNO Financial Group	CNO	\$22.85	\$27.90	22.1%	25.1%
Corebridge Financial, Inc.	CRBG	\$20.06	\$21.66	8.0%	24.7%
American Equity Investment Life	AEL	\$45.62	\$55.80	22.3%	22.3%
Voya Financial	VOYA	\$61.49	\$72.96	18.7%	20.7%
UTG, Inc.	UTGN	\$25.06	\$30.11	20.1%	20.1%
Equitable Holdings, Inc.	EQH	\$28.70	\$33.30	16.0%	19.6%
Aflac Incorporated	AFL	\$71.94	\$82.50	14.7%	17.4%
Unum Group	UNM	\$41.03	\$45.22	10.2%	13.7%
Prudential Financial, Inc.	PRU	\$99.46	\$103.71	4.3%	10.1%
Legal & General Group Plc	LGEM - LSE	£249.50	£251.10	0.6%	9.3%
Aviva plc	AV - LSE	£442.80	£434.70	-1.8%	6.4%
BrightHouse Financial, Inc.	BHF	\$51.27	\$52.92	3.2%	3.2%
Globe Life, Inc.	GL	\$120.55	\$121.72	1.0%	1.8%
Principal Financial Group, Inc.	PFG	\$83.92	\$78.67	-6.3%	-3.7%
MetLife, Inc.	MET	\$72.37	\$66.13	-8.6%	-5.5%
Lincoln National Corporation	LNC	\$30.72	\$26.97	-12.2%	-5.6%
Median				18.7%	20.7%

Securities Brokers

JPMorgan Chase & Co.	JPM	\$134.10	\$170.10	26.8%	30.6%
Citigroup	C	\$45.23	\$51.44	13.7%	18.9%
Goldman Sachs	GS	\$343.38	\$385.77	12.3%	15.9%
Morgan Stanley	MS	\$85.02	\$93.25	9.7%	13.9%
Raymond James Financial	RJF	\$106.85	\$111.50	4.4%	6.1%
Bank of America	BAC	\$33.12	\$33.67	1.7%	4.8%

		Market Price <u>12/31/2022</u>	Market Price <u>12/31/2023</u>	Percent Increase / - Decrease	Total Return
Securities Brokers Cont.					
Charles Schwab Corporation	SCHW	\$83.26	\$68.80	-17.4%	-16.0%
Median				9.7%	13.9%

Insurance Brokers					
Goosehead Insurance, Inc.	GSHD	\$34.34	\$75.80	120.7%	120.7%
Brown & Brown Inc.	BRO	\$56.97	\$71.11	24.8%	25.7%
Arthur J. Gallagher	AJG	\$188.54	\$224.88	19.3%	20.5%
Marsh & McLennan	MMC	\$165.48	\$189.47	14.5%	16.1%
Ryan Specialty Holdings, Inc.	RYAN	\$41.51	\$43.02	3.6%	3.6%
Willis Towers Watson	WTW	\$244.58	\$241.20	-1.4%	0.1%
Aon plc	AON	\$300.14	\$291.02	-3.0%	-2.3%
BRP Group Inc.	BRP	\$25.14	\$24.02	-4.5%	-4.5%
Median				9.1%	9.9%

Reinsurance					
SiriusPoint Ltd.	SPNT	\$5.90	\$11.60	96.6%	96.6%
Greenlight Capital Re	GLRE	\$8.15	\$11.42	40.1%	40.1%
Enstar Group Limited	ESGR	\$231.04	\$294.35	27.4%	27.4%
Conduit Holdings Limited	CRE - LSE	£428.00	£469.00	9.6%	17.7%
Reinsurance Group of America	RGA	\$142.09	\$161.78	13.9%	16.4%
Everest Group, Ltd.	EG	\$331.27	\$353.58	6.7%	8.7%
Maiden Holdings	MHLD	\$2.11	\$2.29	8.5%	8.5%
RenaissanceRe Holdings	RNR	\$184.23	\$196.00	6.4%	7.2%
White Mountains Insurance	WTM	\$1,414.33	\$1,505.01	6.4%	6.5%
AXIS Capital Holdings	AXS	\$54.17	\$55.37	2.2%	5.5%
Oxbridge Re Holdings Limited	OXBR	\$1.20	\$1.10	-8.3%	-8.3%
Median				8.5%	8.7%

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Property and Casualty					
American Coastal Insurance Corp.	ACIC	\$1.06	\$9.46	792.5%	792.5%
Heritage Insurance Holdings	HRTG	\$1.80	\$6.52	262.2%	262.2%
First Acceptance Corporation	FACO	\$0.75	\$2.12	184.6%	184.6%
HCI Group, Inc.	HCI	\$39.59	\$87.40	120.8%	126.8%
Universal Insurance Holdings	UVE	\$10.59	\$15.98	50.9%	58.1%
Kingstone Companies, Inc.	KINS	\$1.35	\$2.13	57.8%	57.8%
Sabre Insurance Group plc	SBRE - LSE	£106.40	£151.40	42.3%	45.1%
Erie Indemnity Company	ERIE	\$248.72	\$334.92	34.7%	37.3%
Admiral Group plc	ADM - LSE	£2,137.00	£2,684.00	25.6%	27.1%
Progressive Corporation	PGR	\$129.71	\$159.28	22.8%	23.2%
Berkshire Hathaway Inc.	BRK.A	\$468,710.96	\$542,625.00	15.8%	15.8%
Selective Insurance Group	SIGI	\$88.61	\$99.48	12.3%	13.7%
Mercury General Corporation	MCY	\$34.20	\$37.31	9.1%	13.5%
American International Group, Inc.	AIG	\$63.24	\$67.75	7.1%	9.7%
Hartford Financial Services Group	HIG	\$75.83	\$80.38	6.0%	8.5%
CNA Financial Corporation	CNA	\$42.28	\$42.31	0.1%	7.1%
The Allstate Corporation	ALL	\$135.60	\$139.98	3.2%	6.3%
Chubb Limited	CB	\$220.60	\$226.00	2.4%	4.2%
Cincinnati Financial Corporation	CINF	\$102.39	\$103.46	1.0%	4.0%
Travelers Companies Inc.	TRV	\$187.49	\$190.49	1.6%	3.9%
Donegal Group Inc.	DGIC.A	\$14.20	\$13.99	-1.5%	3.2%
Kemper Corporation	KMPR	\$49.20	\$48.67	-1.1%	1.5%
NI Holdings, Inc.	NODK	\$13.27	\$12.99	-2.1%	-2.1%
Safety Insurance Group Inc.	SAFT	\$84.26	\$75.99	-9.8%	-5.4%
Hagerty, Inc.	HGTY	\$8.41	\$7.80	-7.3%	-7.3%
Hanover Insurance Group, Inc.	THG	\$135.13	\$121.42	-10.1%	-7.6%
Horace Mann Educators Corporation	HMN	\$37.37	\$32.70	-12.5%	-8.8%
United Fire Group Inc.	UFCS	\$27.36	\$20.12	-26.5%	-24.3%
Hallmark Financial Services	HALL	\$5.84	\$1.01	-82.8%	-82.8%
Median				6.0%	8.5%

Asset Managers

Ameriprise Financial	AMP	\$311.37	\$379.83	22.0%	24.0%
Bank of New York Mellon	BK	\$45.52	\$52.05	14.3%	18.5%
BlackRock	BLK	\$708.63	\$811.80	14.6%	17.9%

		Market Price <u>12/31/2022</u>	Market Price <u>12/31/2023</u>	Percent Increase / - Decrease	Total Return
Asset Managers Cont.					
Franklin Resources	BEN	\$26.38	\$29.79	12.9%	16.9%
Just Group plc	JUST - LSE	£81.60	£85.90	5.3%	7.6%
LPL Financial	LPLA	\$216.17	\$227.62	5.3%	5.9%
T. Rowe Price Group, Inc.	TROW	\$109.06	\$107.69	-1.3%	3.3%
Invesco Ltd.	IVZ	\$17.99	\$17.84	-0.8%	2.6%
Phoenix Group Holdings plc	PHNX - LSE	£608.60	£535.20	-12.1%	-2.9%
Affiliated Managers Group, Inc.	AMG	\$158.43	\$151.42	-4.4%	-4.4%
Median				5.3%	6.7%

Specialty

Skyward Specialty Insurance Group	SKWD	\$15.00	\$33.88	125.9%	125.9%
Fairfax Financial Holdings	FFH - TSX	\$802.07	\$1,222.51	52.4%	55.0%
Global Indemnity Group	GBLI	\$23.31	\$32.24	38.3%	41.6%
Tiptree, Inc.	TIPT	\$13.84	\$18.96	37.0%	38.8%
Assurant, Inc.	AIZ	\$125.06	\$168.49	34.7%	37.5%
Kinsale Capital Group	KNSL	\$261.52	\$334.91	28.1%	28.3%
Old Republic International Corp.	ORI	\$24.15	\$29.40	21.7%	26.3%
Palomar Holdings	PLMR	\$45.16	\$55.50	22.9%	22.9%
Arch Capital Group, Ltd.	ACGL	\$62.78	\$74.27	18.3%	18.3%
Markel Group Inc.	MKL	\$1,317.49	\$1,419.90	7.8%	7.8%
Intact Financial Corporation	IFC - TSX	\$194.91	\$203.86	4.6%	7.0%
Kingsway Financial Services	KFS	\$7.93	\$8.40	5.9%	5.9%
Lancashire Holdings Limited	LRE - LSE	£650.00	£624.00	-4.0%	4.2%
RLI Corp.	RLI	\$131.27	\$133.12	1.4%	3.8%
W.R. Berkley Corporation	WRB	\$72.57	\$70.72	-2.5%	0.1%
Hiscox Ltd	HSX - LSE	£1,089.50	£1,054.00	-3.3%	-0.7%
AMERISAFE	AMSF	\$51.97	\$46.78	-10.0%	-0.9%
ICC Holdings	ICCH	\$15.75	\$15.30	-2.9%	-2.9%
AMBAC Financial Group, Inc.	AMBC	\$17.44	\$16.48	-5.5%	-5.5%
Employers Holdings, Inc.	EIG	\$43.13	\$39.40	-8.6%	-6.1%
American Financial Group Inc	AFG	\$137.28	\$118.89	-13.4%	-7.6%
Fidelis Insurance Holdings Limited	FIHL	\$14.00	\$12.67	-9.5%	-9.5%
Direct Line Insurance Group plc	DLG - LSE	£221.30	£181.95	-17.8%	-17.8%
ProAssurance Corporation	PRA	\$17.47	\$13.79	-21.1%	-20.8%

		Market Price <u>12/31/2022</u>	Market Price <u>12/31/2023</u>	Percent Increase / - Decrease	Total Return
Specialty Cont.					
Beazley plc	BEZ - LSE	£679.50	£522.00	-23.2%	-21.5%
Conifer Holdings, Inc.	CNFR	\$1.57	\$1.10	-29.9%	-29.9%
Trupanion, Inc.	TRUP	\$47.53	\$30.51	-35.8%	-35.8%
James River Group Holdings	JRVR	\$20.91	\$9.24	-55.8%	-55.2%
Median				-2.7%	1.9%