

MARKET PERFORMANCE OF FINANCIAL SERVICES STOCKS FOR THE QUARTER ENDED JUNE 30, 2024

In the second quarter of 2024, the U.S. stock market, as measured by the Standard & Poor's 500 index, increased 4.3%. Financial services stocks, as measured by the XLF Financial ETF, decreased 2.0%. Insurance stocks, as measured by the Nasdaq Insurance Index, decreased 2.9%. The average total return for the 134 companies included in this study was -0.7%. The Information Technology sector total return of

13.8% drove the S&P 500 higher than financial sectors. NVIDIA posted a 36.7% total return in the second quarter, making the company the second largest weight on the index, and leading the sector to outsized gains. In this report, two sectors posted positive returns and eight sectors posted negative returns, as shown in Table 1. The top performing sectors in this study were Insurance Brokers and Securities Brokers and Banks.

Table 1

	Total Return Q2 2024
Standard & Poor's 500	4.3
Insurance Brokers	2.5
Securities Brokers and Banks	2.2
Reinsurance	-1.6
XLF (Financial Sector ETF)	-2.0
Nasdaq Insurance Index	-2.9
Life & Annuities	-3.2
Specialty	-3.3
Asset Managers	-3.3
Title Insurers	-3.8
Property and Casualty	-4.4
Financial Guarantors	-5.7
Insurance Technology	-5.9

The top performer of the second quarter, Bowhead Specialty, had an IPO in May at an offering price of \$17.00 per share and has increased 49.1% since the offering. The company raised \$128 million in its oversubscribed IPO. This could entice other privately held insurers to list their stock publicly. The Woodlands Financial Group, a broker and MGA, also announced the company will be going public.

Arch Capital gained 9.1% in the second quarter as all three operating segments produced high returns. Arch Capital's three operating segments are specialty insurance, reinsurance, and mortgage. After a strong 2023, the company gained 35.8% in the first half of 2024. Arch's strategy is to have balanced growth and profitability across its three business segments. The company is executing well in the strong

primary and reinsurance markets while holding the mortgage business in check in an uncertain environment. Early in the quarter, Arch announced they were acquiring Allianz's domestic Middle Market and Entertainment business for \$450 million. The acquired business wrote about \$1.7 billion of GPW in 2023 with 13% of that in Entertainment and the remainder in Middle Market. Arch shares responded favorably after the announced acquisition. Arch continues to grow its reinsurance and specialty segments while achieving a strong combined ratio.

Selective Insurance Group declined 13.7% in the second quarter. The company's operating segments include Standard Commercial, Standard Personal and E&S Lines. Standard Commercial Lines makes up most of the company's NPW. Selective shares have been falling following \$50 million of adverse development in Standard Commercial Lines general liability. This was partially offset by \$15 million of favorable workers' compensation development. The net adverse development added 3.3 points to Selective's overall combined ratio. The company has revised its GAAP 2024 combined ratio forecast to 96.5% from 95.5% in light of the net adverse development. Certain jurisdictions have posed challenges for the company in relation to broader interpretations of contractual claims eligibility and higher jury awards. Travelers was down 11.2%, also experiencing recent accident year adverse development in liability lines (as well as development in CAT).

Globe Life was one of the worst performers in the second quarter, down 29.1%. Shares were trading just over \$100 per share in the beginning of the quarter, but on April 11th, Globe Life's shares dropped 53.1% to a closing price of \$49.17. The drop wiped out more than \$5 billion of the company's valuation in one day, and was caused by a report alleging widespread insurance fraud within one of the company's subsidiaries, American Income. The company has vehemently denied the allegations, but has still not fully recovered from the allegations. Prior to the report, Globe Life was contemplating making a strategic acquisition, but given the stock price decline, the company has instead shifted focus to repurchasing shares to take advantage of the relatively cheap valuation.

A couple of companies saw their share prices increase after company sale announcements. ICC Holdings, the second best performer in the specialty sector, up 41.5%, announced it was being acquired by Mutual Capital Group in an all-cash transaction for \$73.8 million or \$23.50 per share. The acquisition price was roughly equal to ICC's book value. The transaction is expected to close in the fourth quarter of 2024. Doma Holdings increased 33.7% in the second quarter after they reported they were being acquired by Title Resources Group (TRG) in an all-cash transaction for \$6.29 per share. In addition, the American Equity Investment Life and Vericity sales closed in the second quarter.

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 Q2 2024
Bowhead Specialty Holdings Inc.	49.1
First Acceptance Corporation	47.7
SelectQuote, Inc.	38.0
Citizens, Inc.	27.1
The Baldwin Insurance Group	22.6
Hagerty, Inc.	13.7
Jackson Financial Inc.	13.4
EverQuote, Inc.	12.4
Investors Title Co	10.7
AXIS Capital Holdings	9.3

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

	Total Return Q2 2024
Heritage Insurance Holdings	-33.5
Globe Life, Inc.	-29.1
Kinsale Capital Group	-26.5
eHealth, Inc.	-24.9
HCI Group, Inc.	-20.3
Franklin Resources	-19.4
MBIA Inc.	-18.8
AMBAC Financial Group, Inc.	-18.0
James River Group Holdings	-16.3
Brighthouse Financial, Inc.	-15.9

*Nasdaq Insurance Index total return is from Bloomberg

Table 4

		Market Price 3/31/2024	Market Price 6/30/2024	Percent Increase / - Decrease	Total Return
Insurance Brokers					
The Baldwin Insurance Group	BWIN	\$28.94	\$35.47	22.6%	22.6%
Ryan Specialty Holdings, Inc.	RYAN	\$55.50	\$57.91	4.3%	4.6%
Arthur J. Gallagher	AJG	\$250.04	\$259.31	3.7%	4.0%
Marsh & McLennan	MMC	\$205.98	\$210.72	2.3%	2.7%
Brown & Brown Inc.	BRO	\$87.54	\$89.41	2.1%	2.3%
Willis Towers Watson	WTW	\$275.00	\$262.14	-4.7%	-4.4%
Aon plc	AON	\$333.72	\$293.58	-12.0%	-11.8%
Goosehead Insurance, Inc.	GSHD	\$66.62	\$57.44	-13.8%	-13.8%
Median				2.2%	2.5%
Securities Brokers and Banks					
Goldman Sachs	GS	\$417.69	\$452.32	8.3%	9.0%
Bank of America	BAC	\$37.92	\$39.77	4.9%	5.5%
Morgan Stanley	MS	\$94.16	\$97.19	3.2%	4.2%
Charles Schwab Corporation	SCHW	\$72.34	\$73.69	1.9%	2.2%
JPMorgan Chase & Co.	JPM	\$200.30	\$202.26	1.0%	1.6%
Citigroup	C	\$63.24	\$63.46	0.3%	1.2%
Raymond James Financial	RJF	\$128.42	\$123.61	-3.7%	-3.7%
Median				1.9%	2.2%
Reinsurance					
Oxbridge Re Holdings Limited	OXBR	\$1.06	\$2.38	124.5%	124.5%
AXIS Capital Holdings	AXS	\$65.02	\$70.65	8.7%	9.3%
Reinsurance Group of America	RGA	\$192.88	\$205.27	6.4%	6.9%
Greenlight Capital Re	GLRE	\$12.47	\$13.10	5.1%	5.1%
White Mountains Insurance	WTM	\$1,794.30	\$1,817.45	1.3%	1.3%
Enstar Group Limited	ESGR	\$310.76	\$305.70	-1.6%	-1.6%
Everest Group, Ltd.	EG	\$397.50	\$381.02	-4.1%	-3.6%
SiriusPoint Ltd.	SPNT	\$12.71	\$12.20	-4.0%	-4.0%
Conduit Holdings Limited	CRE - LSE	£518.00	£494.00	-4.6%	-4.6%
RenaissanceRe Holdings	RNR	\$235.03	\$223.51	-4.9%	-4.7%
Maiden Holdings	MHLD	\$2.25	\$2.06	-8.4%	-8.4%
Median				-1.6%	-1.6%

		Market Price 3/31/2024	Market Price 6/30/2024	Percent Increase / - Decrease	Total Return
Life & Annuities					
Citizens, Inc.	CIA	\$2.14	\$2.72	27.1%	27.1%
Jackson Financial Inc.	JXN	\$66.14	\$74.26	12.3%	13.4%
Manulife Financial Corporation	MFC - TSX	\$33.83	\$36.43	7.7%	8.9%
Equitable Holdings, Inc.	EQH	\$38.01	\$40.86	7.5%	8.1%
Aflac Incorporated	AFL	\$85.86	\$89.31	4.0%	4.6%
Corebridge Financial, Inc.	CRBG	\$28.73	\$29.12	1.4%	2.2%
CNO Financial Group	CNO	\$27.48	\$27.72	0.9%	1.5%
National Western Life Group	NWLI	\$491.96	\$496.94	1.0%	1.0%
Prudential Financial, Inc.	PRU	\$117.40	\$117.19	-0.2%	0.9%
Aviva plc	AV - LSE	£496.60	£476.60	-4.0%	0.5%
Lincoln National Corporation	LNC	\$31.93	\$31.10	-2.6%	-1.1%
Voya Financial	VOYA	\$73.92	\$71.15	-3.7%	-3.2%
Unum Group	UNM	\$53.66	\$51.11	-4.8%	-4.1%
MetLife, Inc.	MET	\$74.11	\$70.19	-5.3%	-4.6%
Legal & General Group Plc	LGEN - LSE	£254.40	£227.00	-10.8%	-5.2%
Kansas City Life Insurance	KCLI	\$37.25	\$35.05	-5.9%	-5.5%
F&G Annuities & Life	FG	\$40.55	\$38.05	-6.2%	-5.6%
Genworth Financial, Inc.	GNW	\$6.43	\$6.04	-6.1%	-6.1%
Primerica, Inc.	PRI	\$252.96	\$236.58	-6.5%	-6.2%
Principal Financial Group, Inc.	PFG	\$86.31	\$78.45	-9.1%	-8.3%
UTG, Inc.	UTGN	\$32.00	\$29.00	-9.4%	-9.4%
Brighthouse Financial, Inc.	BHF	\$51.54	\$43.34	-15.9%	-15.9%
Globe Life, Inc.	GL	\$116.37	\$82.28	-29.3%	-29.1%
Median				-4.0%	-3.2%

Specialty

Bowhead Specialty Holdings Inc.	BOW	\$17.00	\$25.34	49.1%	49.1%
ICC Holdings	ICCH	\$16.00	\$22.63	41.5%	41.5%
Arch Capital Group, Ltd.	ACGL	\$92.44	\$100.89	9.1%	9.1%
Fairfax Financial Holdings	FFH - TSX	\$1,460.10	\$1,556.33	6.6%	6.6%
Trupanion, Inc.	TRUP	\$27.61	\$29.40	6.5%	6.5%
Beazley plc	BEZ - LSE	£665.50	£708.00	6.4%	6.4%
Direct Line Insurance Group plc	DLG - LSE	£195.05	£200.80	2.9%	5.1%
Intact Financial Corporation	IFC - TSX	\$220.04	\$228.01	3.6%	4.2%
Markel Group Inc.	MKL	\$1,521.48	\$1,575.66	3.6%	3.6%

		Market Price 3/31/2024	Market Price 6/30/2024	Percent Increase / - Decrease	Total Return
Specialty Cont.					
Global Indemnity Group	GBLI	\$30.53	\$31.09	1.8%	3.0%
Old Republic International Corp.	ORI	\$30.72	\$30.90	0.6%	1.4%
Lancashire Holdings Limited	LRE - LSE	£619.00	£614.00	-0.8%	1.1%
Kingsway Financial Services	KFS	\$8.34	\$8.24	-1.2%	-1.2%
Palomar Holdings	PLMR	\$83.83	\$81.15	-3.2%	-3.2%
Skyward Specialty Insurance Group	SKWD	\$37.41	\$36.18	-3.3%	-3.3%
Tiptree, Inc.	TIPT	\$17.28	\$16.49	-4.6%	-4.2%
ProAssurance Corporation	PRA	\$12.86	\$12.22	-5.0%	-5.0%
RLI Corp.	RLI	\$148.47	\$140.69	-5.2%	-5.1%
Employers Holdings, Inc.	EIG	\$45.39	\$42.63	-6.1%	-5.4%
Hiscox Ltd	HSX - LSE	£1,240.00	£1,150.00	-7.3%	-5.7%
American Financial Group Inc	AFG	\$136.48	\$123.02	-9.9%	-9.4%
W.R. Berkley Corporation	WRB	\$88.44	\$78.58	-11.1%	-10.5%
Assurant, Inc.	AIZ	\$188.24	\$166.25	-11.7%	-11.3%
AMERISAFE	AMSF	\$50.17	\$43.89	-12.5%	-11.8%
Fidelis Insurance Holdings Limited	FIHL	\$19.48	\$16.31	-16.3%	-15.7%
James River Group Holdings	JRVR	\$9.30	\$7.73	-16.9%	-16.3%
AMBAC Financial Group, Inc.	AMBC	\$15.63	\$12.82	-18.0%	-18.0%
Kinsale Capital Group	KNSL	\$524.74	\$385.28	-26.6%	-26.5%
Conifer Holdings, Inc.	CNFR	\$1.13	\$0.77	-31.9%	-31.9%
Median				-3.3%	-3.3%
Asset Managers					
LPL Financial	LPLA	\$264.20	\$279.30	5.7%	5.8%
Bank of New York Mellon	BK	\$57.62	\$59.89	3.9%	4.7%
Just Group plc	JUST - LSE	£105.20	£105.40	0.2%	1.7%
Phoenix Group Holdings plc	PHNX - LSE	£552.60	£521.50	-5.6%	-0.8%
Ameriprise Financial	AMP	\$438.44	\$427.19	-2.6%	-2.2%
T. Rowe Price Group, Inc.	TROW	\$121.92	\$115.31	-5.4%	-4.4%
BlackRock	BLK	\$833.70	\$787.32	-5.6%	-4.9%
Affiliated Managers Group, Inc.	AMG	\$167.47	\$156.23	-6.7%	-6.7%
Invesco Ltd.	IVZ	\$16.59	\$14.96	-9.8%	-8.7%
Franklin Resources	BEN	\$28.11	\$22.35	-20.5%	-19.4%
Median				-5.5%	-3.3%

		Market Price 3/31/2024	Market Price 6/30/2024	Percent Increase / - Decrease	Total Return
Title Insurers					
Doma Holdings Inc.	DOMA	\$4.54	\$6.07	33.7%	33.7%
Investors Title Co	ITIC	\$163.19	\$180.13	10.4%	10.7%
Stewart Info Services	STC	\$65.06	\$62.08	-4.6%	-3.8%
Fidelity National Financial	FNF	\$53.10	\$49.42	-6.9%	-6.0%
First American Financial	FAF	\$61.05	\$53.95	-11.6%	-10.7%
Median				-4.6%	-3.8%
Property and Casualty					
First Acceptance Corporation	FACO	\$2.60	\$3.84	47.7%	47.7%
Hagerty, Inc.	HGTY	\$9.15	\$10.40	13.7%	13.7%
Kingstone Companies, Inc.	KINS	\$4.45	\$5.00	12.4%	12.4%
Mercury General Corporation	MCY	\$51.60	\$53.14	3.0%	3.6%
CNA Financial Corporation	CNA	\$45.42	\$46.07	1.4%	2.4%
NI Holdings, Inc.	NODK	\$15.15	\$15.30	1.0%	1.0%
Progressive Corporation	PGR	\$206.82	\$207.71	0.4%	0.5%
United Fire Group Inc.	UFCS	\$21.77	\$21.49	-1.3%	-0.6%
Chubb Limited	CB	\$259.13	\$255.08	-1.6%	-1.2%
American Coastal Insurance Corp.	ACIC	\$10.69	\$10.55	-1.3%	-1.3%
Hartford Financial Services Group	HIG	\$103.05	\$100.54	-2.4%	-2.0%
Berkshire Hathaway Inc.	BRK.A	\$634,440.00	\$612,241.00	-3.5%	-3.5%
Kemper Corporation	KMPR	\$61.92	\$59.33	-4.2%	-3.7%
Cincinnati Financial Corporation	CINF	\$124.17	\$118.10	-4.9%	-4.2%
American International Group, Inc.	AIG	\$78.17	\$74.24	-5.0%	-4.5%
Universal Insurance Holdings	UVE	\$20.32	\$18.76	-7.7%	-6.9%
The Allstate Corporation	ALL	\$173.01	\$159.66	-7.7%	-7.2%
Hanover Insurance Group, Inc.	THG	\$136.17	\$125.44	-7.9%	-7.2%
Admiral Group plc	ADM - LSE	£2,837.00	£2,615.00	-7.8%	-7.3%
Safety Insurance Group Inc.	SAFT	\$82.19	\$75.03	-8.7%	-7.6%
Donegal Group Inc.	DGIC.A	\$14.14	\$12.88	-8.9%	-7.7%
Erie Indemnity Company	ERIE	\$401.57	\$362.40	-9.8%	-9.5%
Horace Mann Educators Corporation	HMN	\$36.99	\$32.62	-11.8%	-10.9%
Travelers Companies Inc.	TRV	\$230.14	\$203.34	-11.6%	-11.2%
Selective Insurance Group	SIGI	\$109.17	\$93.83	-14.1%	-13.7%
Sabre Insurance Group plc	SBRE - LSE	£179.40	£150.40	-16.2%	-14.2%
HCI Group, Inc.	HCI	\$116.08	\$92.17	-20.6%	-20.3%

		Market Price <u>3/31/2024</u>	Market Price <u>6/30/2024</u>	Percent Increase / - Decrease	Total Return
Property and Casualty Cont.					
Heritage Insurance Holdings	HRTG	\$10.65	\$7.08	-33.5%	-33.5%
Median				-5.0%	-4.4%
Financial Guarantors					
NMI Holdings	NMIH	\$32.34	\$34.04	5.3%	5.3%
MGIC Investment Corporation	MTG	\$22.36	\$21.55	-3.6%	-3.1%
Essent Group Ltd.	ESNT	\$59.51	\$56.19	-5.6%	-5.1%
Radian Group Inc.	RDN	\$33.47	\$31.10	-7.1%	-6.4%
Assured Guaranty Ltd.	AGO	\$87.25	\$77.15	-11.6%	-11.2%
MBIA Inc.	MBI	\$6.76	\$5.49	-18.8%	-18.8%
Median				-6.3%	-5.7%
Insurance Technology					
SelectQuote, Inc.	SLQT	\$2.00	\$2.76	38.0%	38.0%
EverQuote, Inc.	EVER	\$18.56	\$20.86	12.4%	12.4%
Lemonade, Inc.	LMND	\$16.41	\$16.50	0.5%	0.5%
Hippo Holdings Inc.	HIPO	\$18.27	\$17.19	-5.9%	-5.9%
GoHealth, Inc.	GOCO	\$10.51	\$9.72	-7.5%	-7.5%
Root, Inc.	ROOT	\$61.08	\$51.61	-15.5%	-15.5%
eHealth, Inc.	EHTH	\$6.03	\$4.53	-24.9%	-24.9%
Median				-5.9%	-5.9%