



Lloyd's Peer Group Review - Investments

June 2026

Methodology

✓ Background

- Review of Lloyd’s Market syndicate annual reports from 2019 to 2025
- 66 syndicates with > £100m equiv. Financial Investments at end 2025
- 2,400 data points collected and 2,400 ratios calculated
- Charts by Quartile based on size of investments portfolio at end 2025

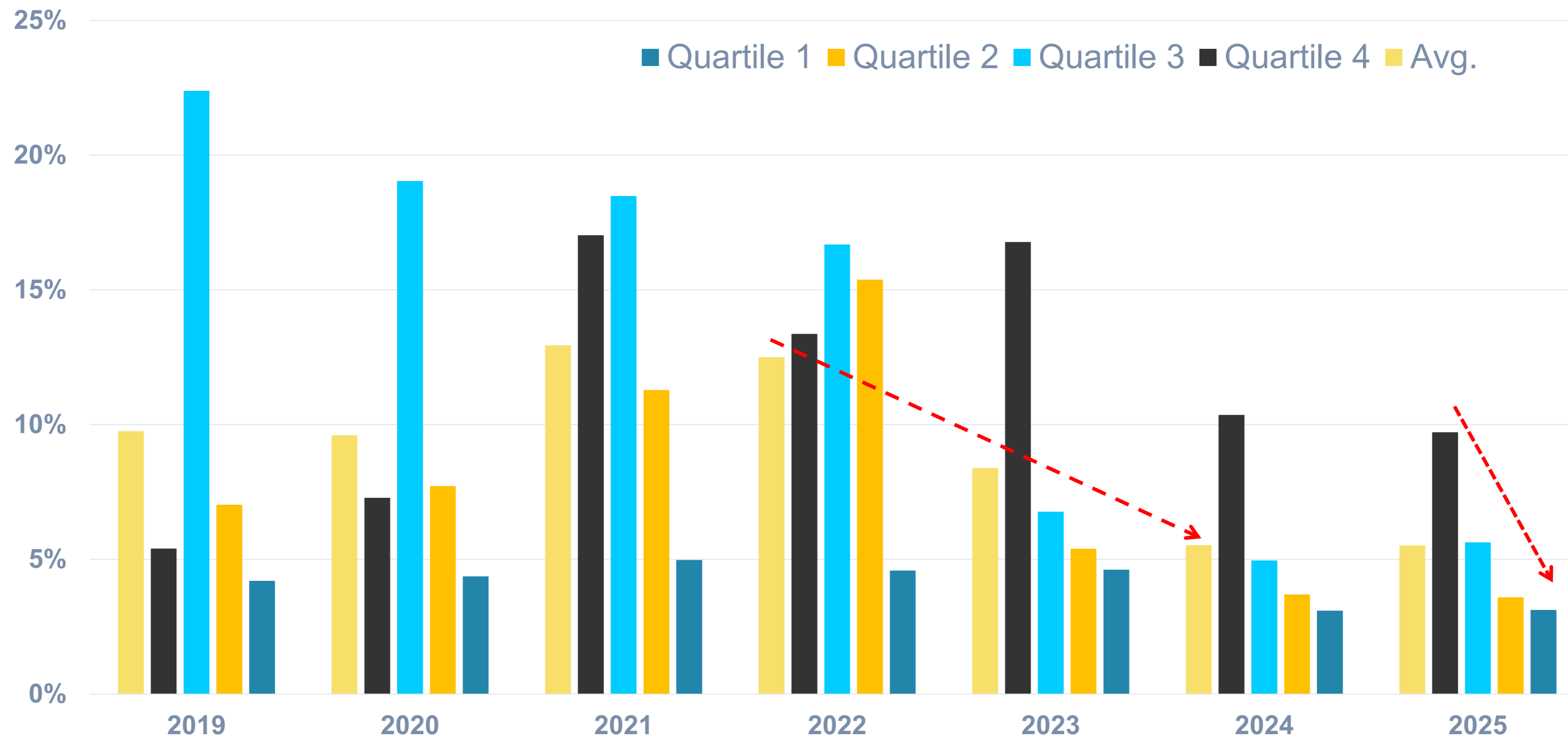
✓ Charts Output

- Cash in Hand and Cash Equivalents as % of Financial Investments
- Credit Ratings Split by Size Quartile
- Implied Average Credit Rating Score – 2025 vs 2024
- Investment Returns – Total and Risk Adjusted by Year and Quartile plus Dispersion
- ESG / Sustainability Word Occurrence
- Manager Market Share
- Appendix: Sample Peer Group Output

Type	Quartile	Portfolio Size* (£m equiv.)
Large	1	1,329 – 3,466
Upper Mid	2	909 – 1,257
Lower Mid	3	450 – 875
Small	4	177 - 398

• Size based on Financial investments excluding cash and FIS but including overseas deposits as per Syndicate Annual Reports 2025

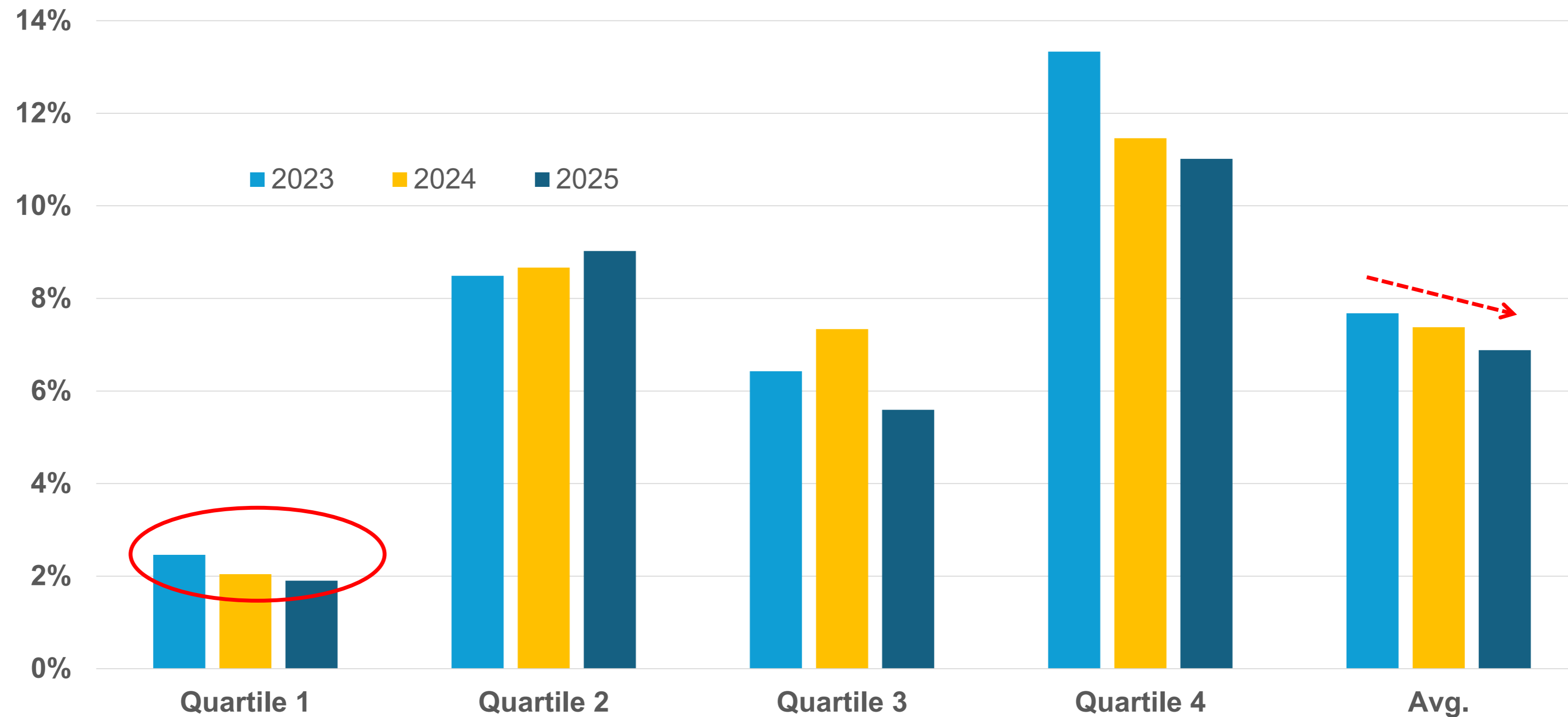
Cash in Hand as % of Investments



Source: Vesta / Syndicate Annual Reports 2019 - 2025

- Larger syndicates manage cash more tightly - 3% lower than market average for 1st quartile at end 2025.
- Average cash holdings fall materially in 2023 and again in 2024 as higher rates increase opportunity cost of true cash.

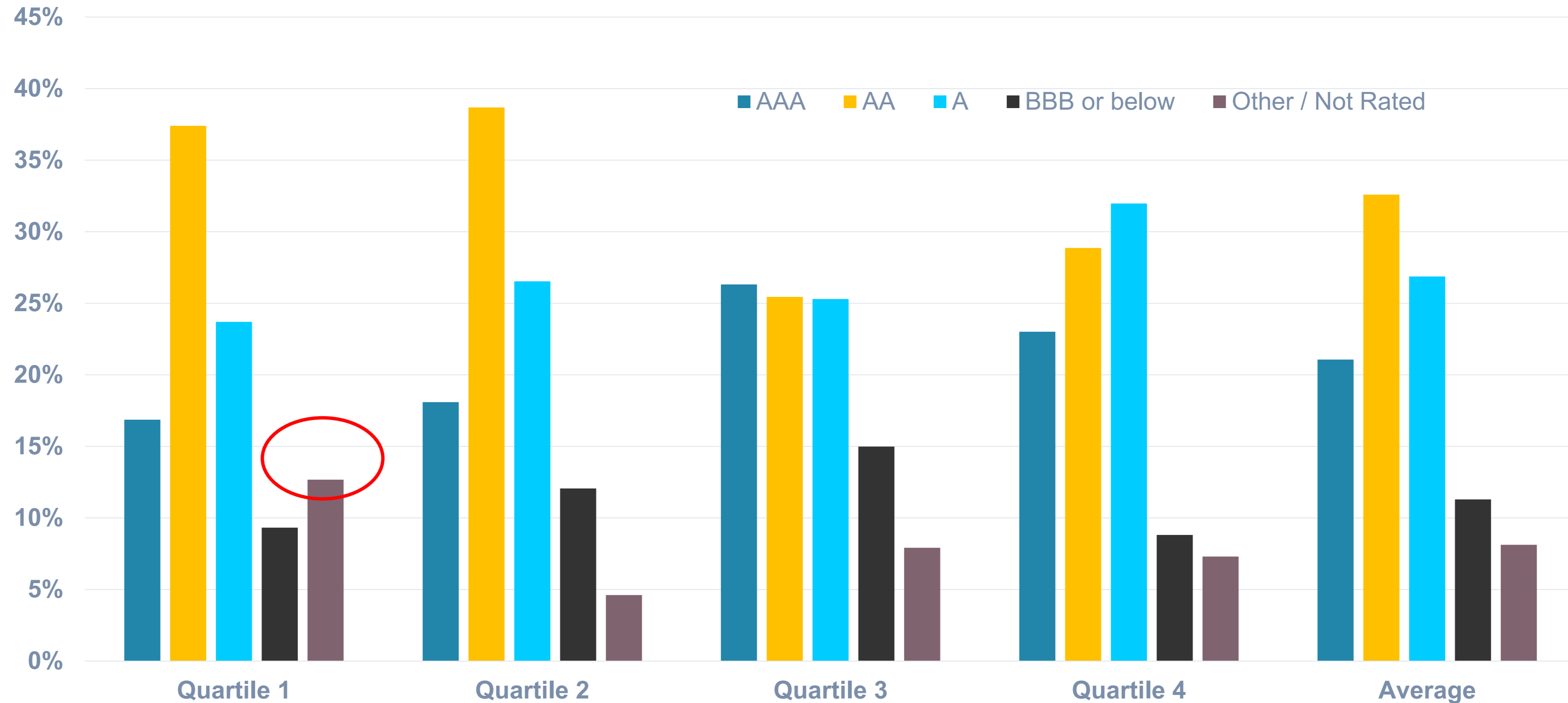
Cash Equivalents as % of Investments



Source: Vesta / Syndicate Annual Reports 2019 - 2025

- Larger syndicates also manage strategic cash more tightly.
- Holdings fall slightly over past two years suggesting cash put to work is going into credit product not cash equivalents.

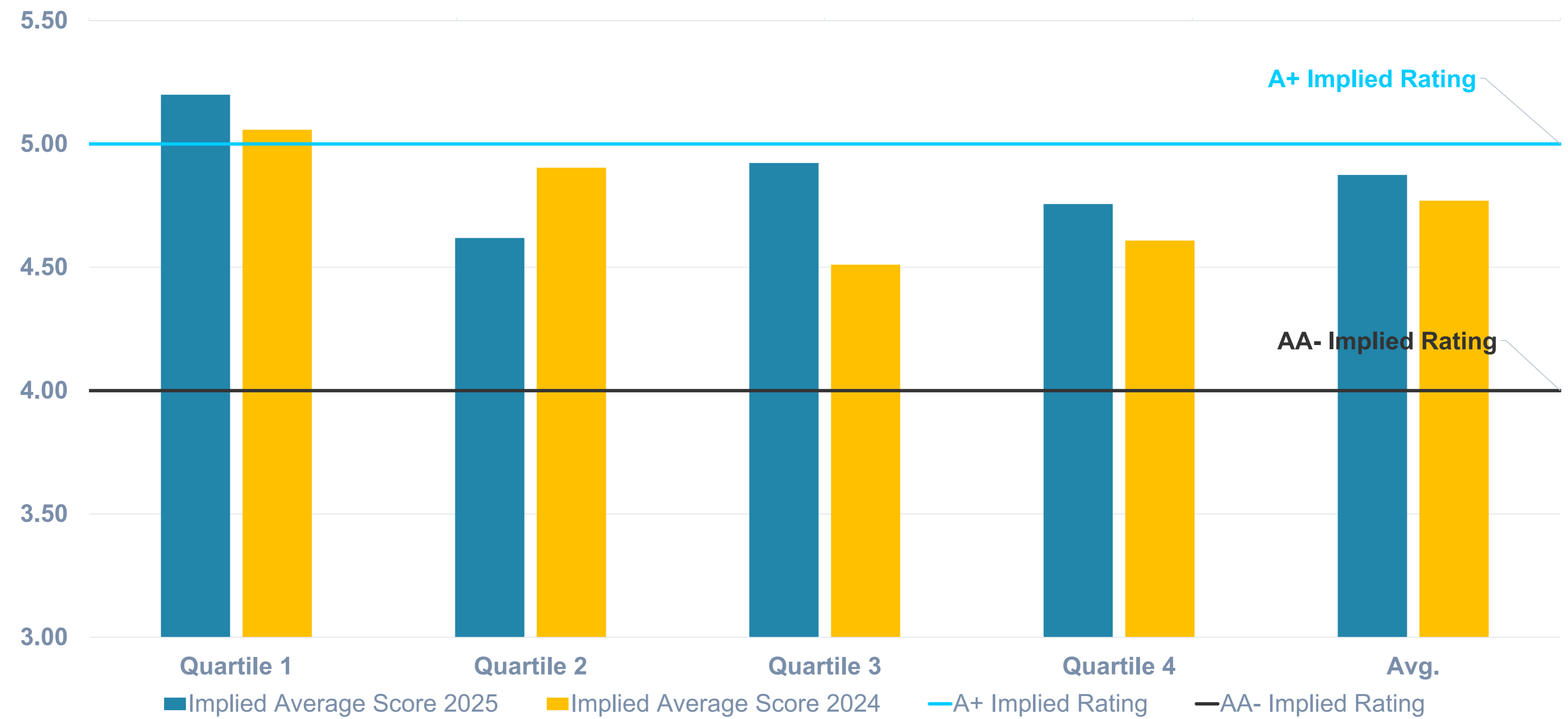
Credit Rating Split by Quartile - 2025



Source: Vesta / Syndicate Annual Reports. Note ALL 66 syndicates disclosed this information. Note: Vesta calculated, linear and weighted numeric score.

- Largest syndicates hold materially higher allocation to Other / Not Rated implying non-core holdings such as equities.
- Larger syndicates also hold high allocations to AA rated implying a somewhat barbell credit strategy.

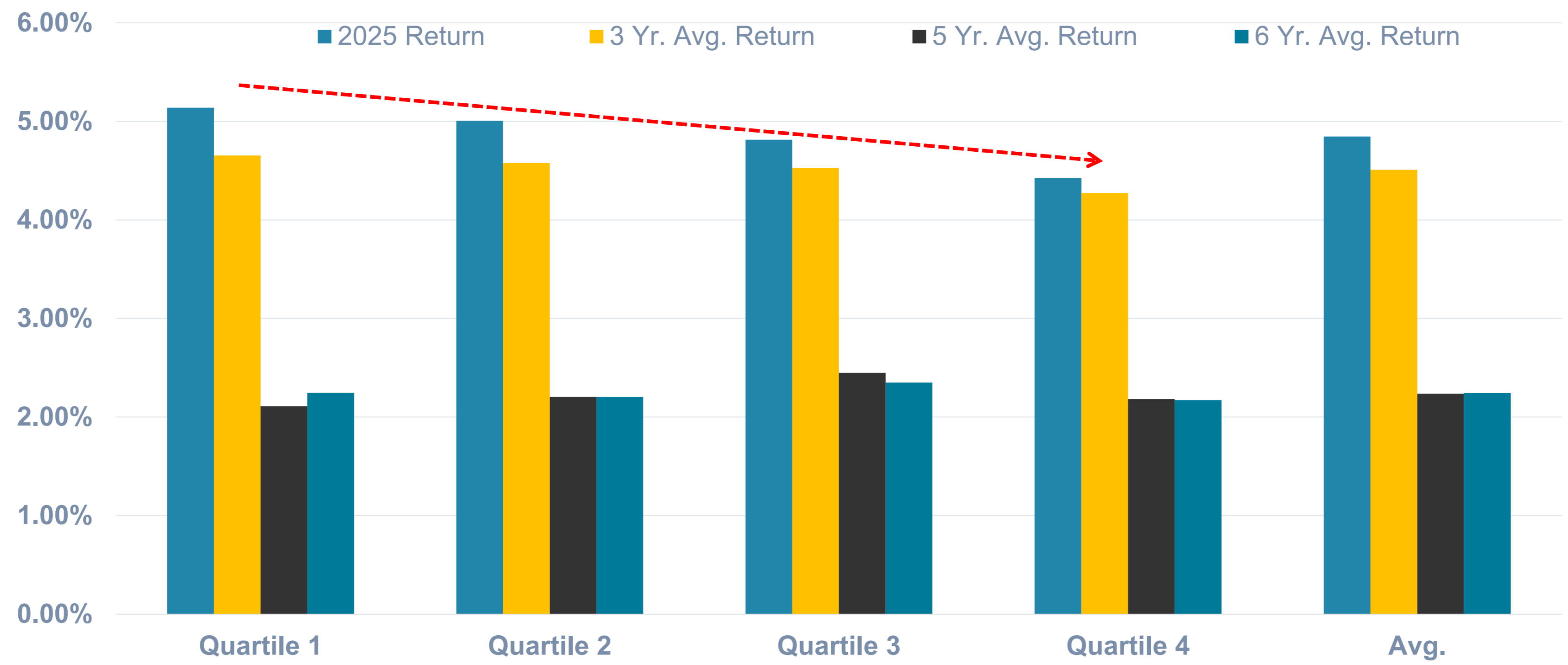
Credit Rating Score – 2025 vs 2024



Source: Vesta / Syndicate Annual Reports. Note ALL 66 syndicates disclosed this information. Note: Vesta calculated, linear and weighted numeric score.

- Notable similarity in average ratings across syndicates with quartiles in a range of AA- to A+.
- Immaterial YoY increase in risk appetite during 2025.

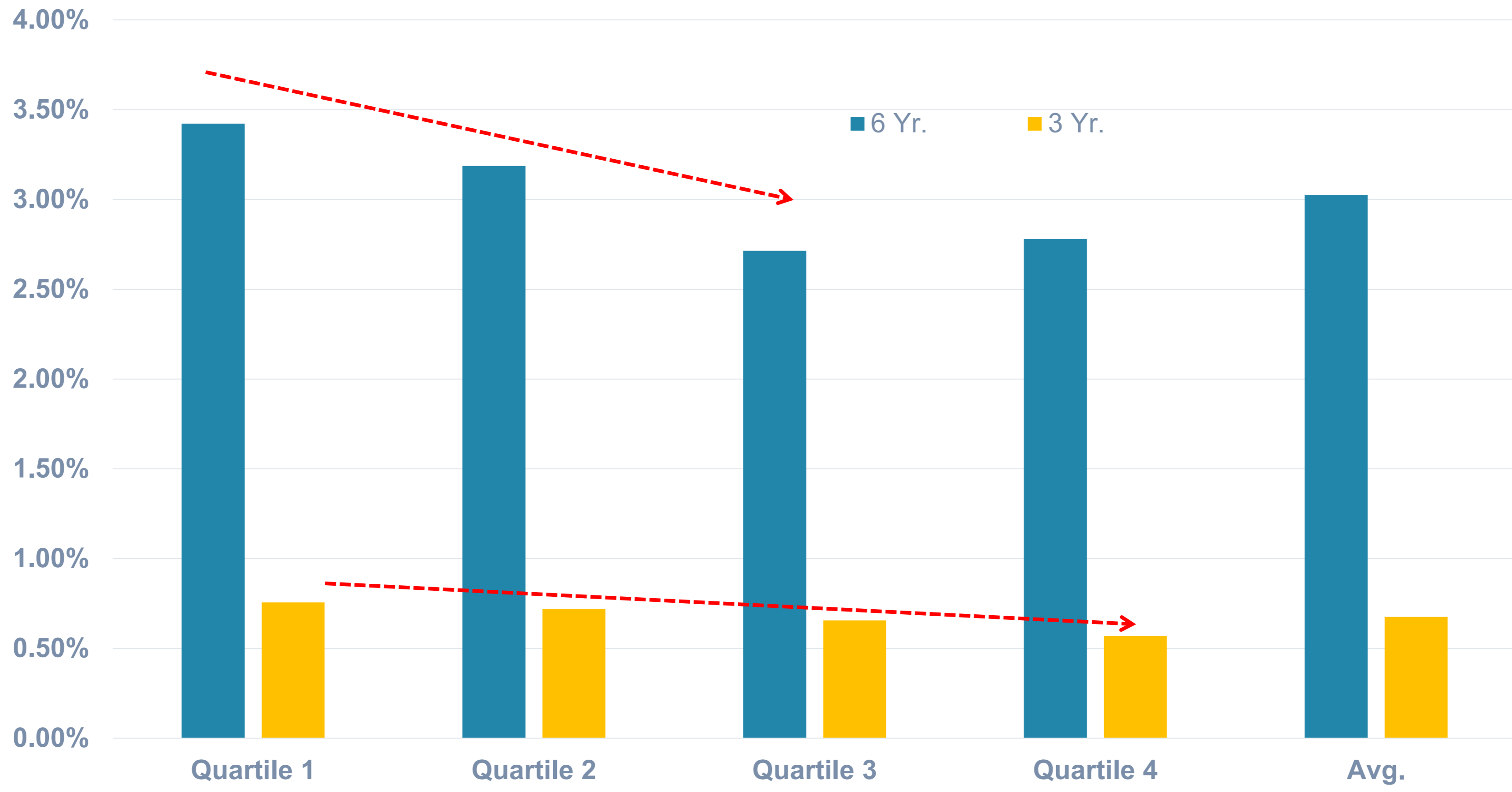
Total Investment Returns



Source: Vesta / Syndicate Annual Reports 2019 - 2025

- Direct correlation between syndicate size and total investment returns for 2025 and over 3 years.
- Medium term returns (5 and 6 year) significantly lower for all syndicates as inflation induced rate hikes of 2022 included.
- 5 and 6 year returns very consistent across quartiles – size has not bestowed an advantage.

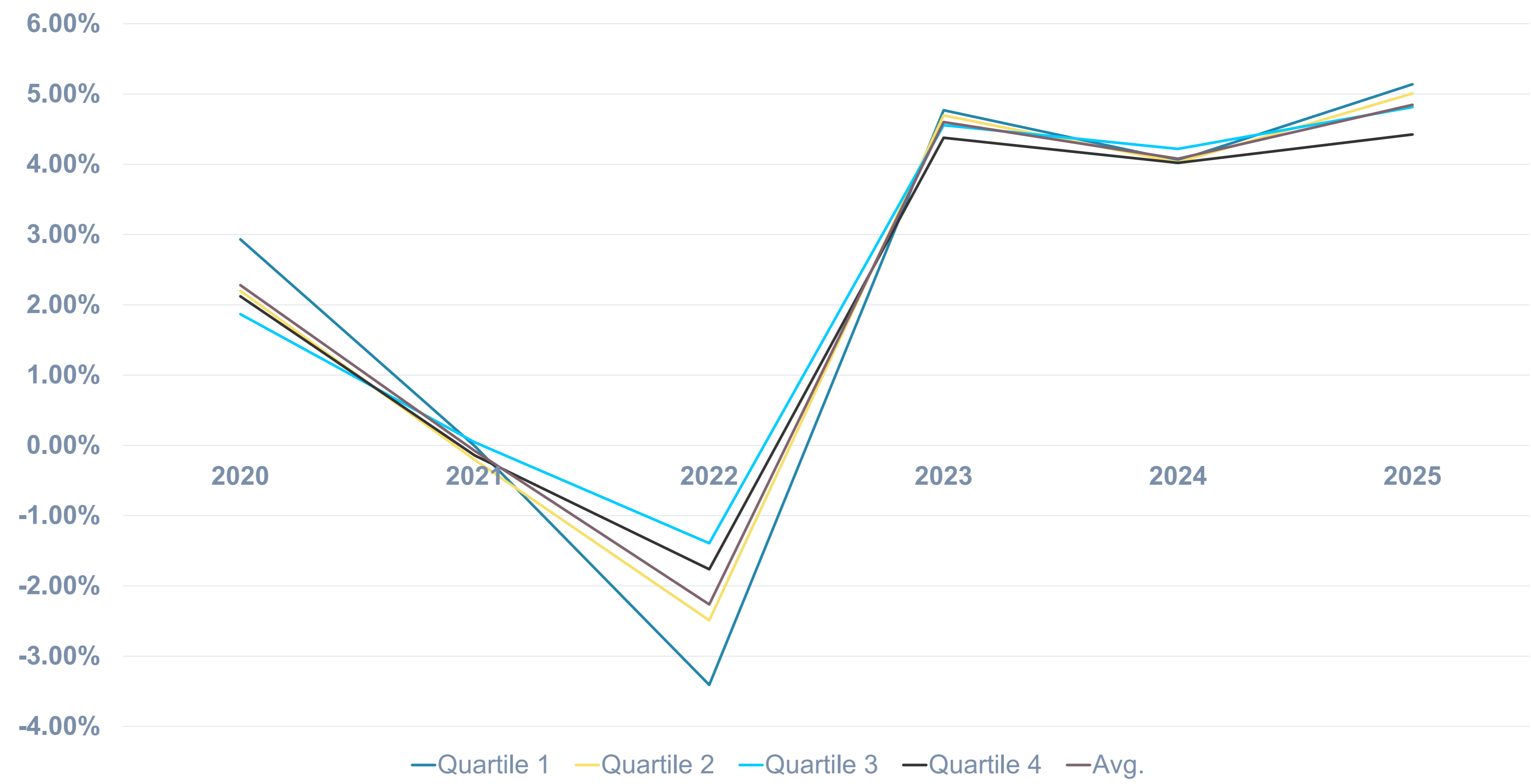
Total Return Volatility by Quartile



Source: Vesta / Syndicate Annual Reports 2019 - 2025

➤ Larger syndicates have seen more volatile returns over both 3 and particularly 6 years.

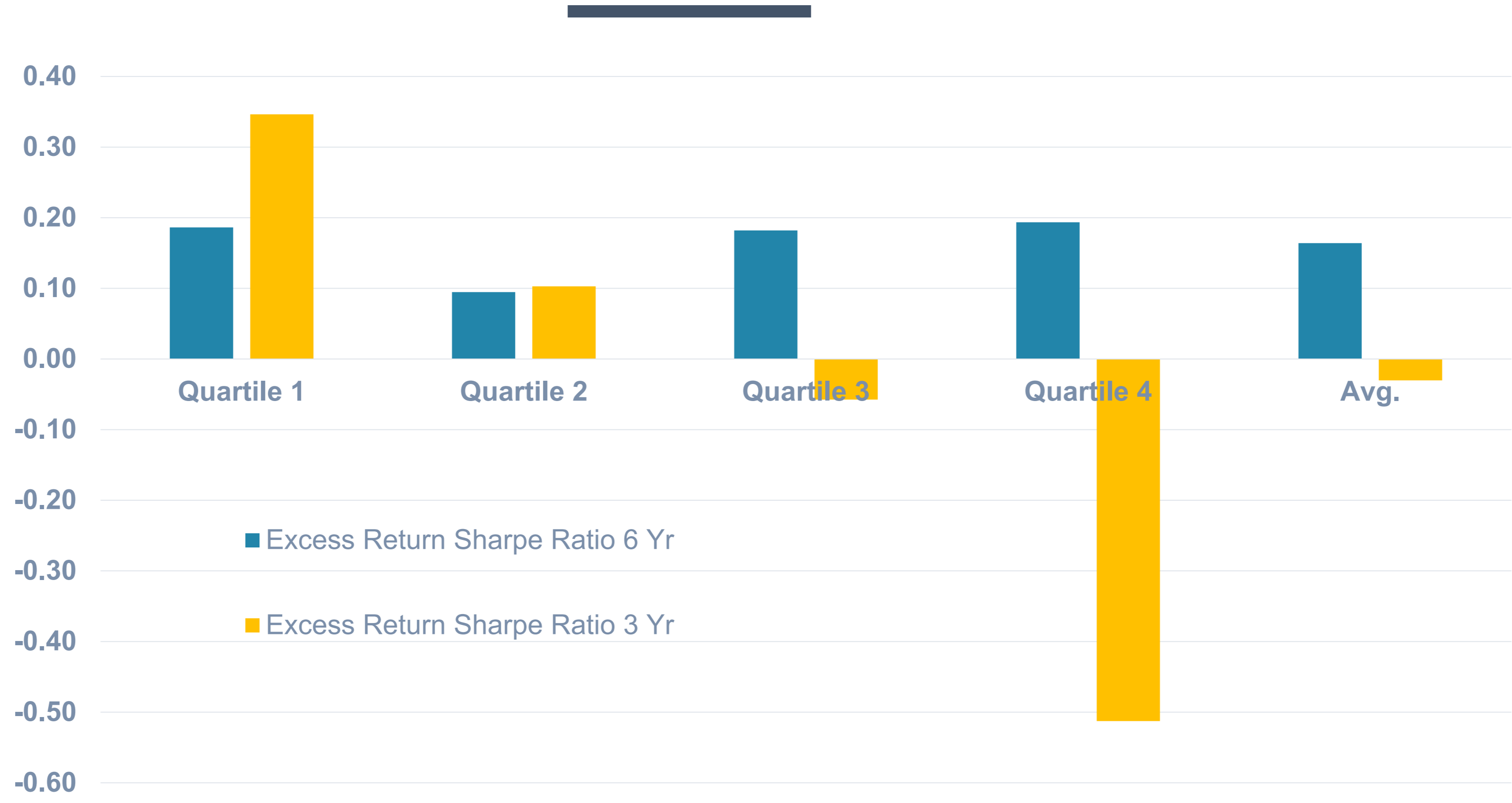
Total Returns by Year and Quartile



Source: Vesta / Syndicate Annual Reports 2019 - 2025.

- Largest syndicates performed best of class in 2020, 2023 and 2025 but worst by far during yield spike of 2022.
- Smaller syndicates had the opposite experience.

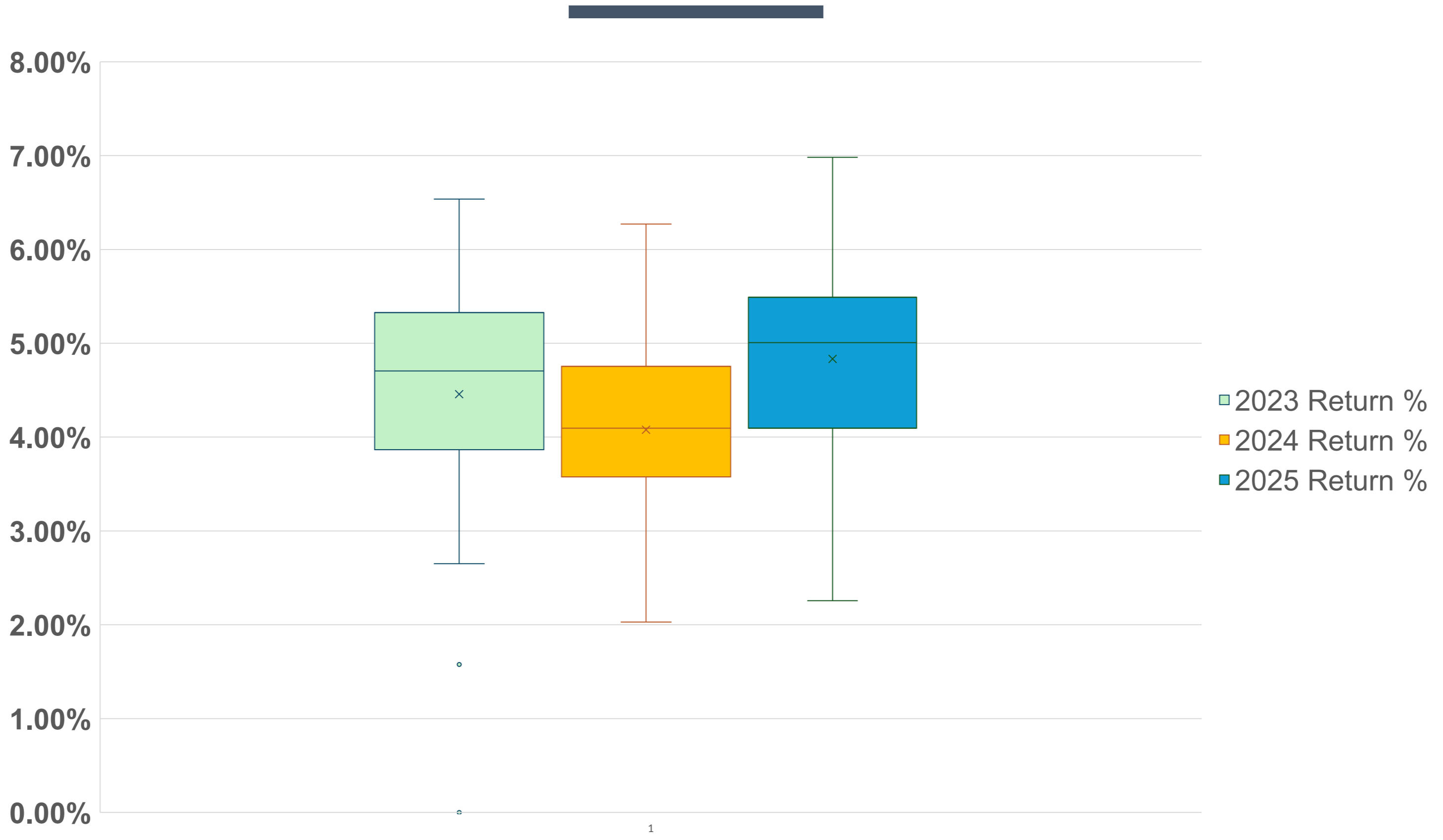
Risk Adjusted Returns - Excess



Source: Vesta / Syndicate Annual Reports 2019 - 2025. Sharpe Ratios use average of standard deviation of Total and Excess returns

- Excess return data is noisy and influenced by duration but suggests:
 - Similar performance across size quartiles over 6 years but.....
 - Larger syndicates outperformed over 3 years in a more stable return environment

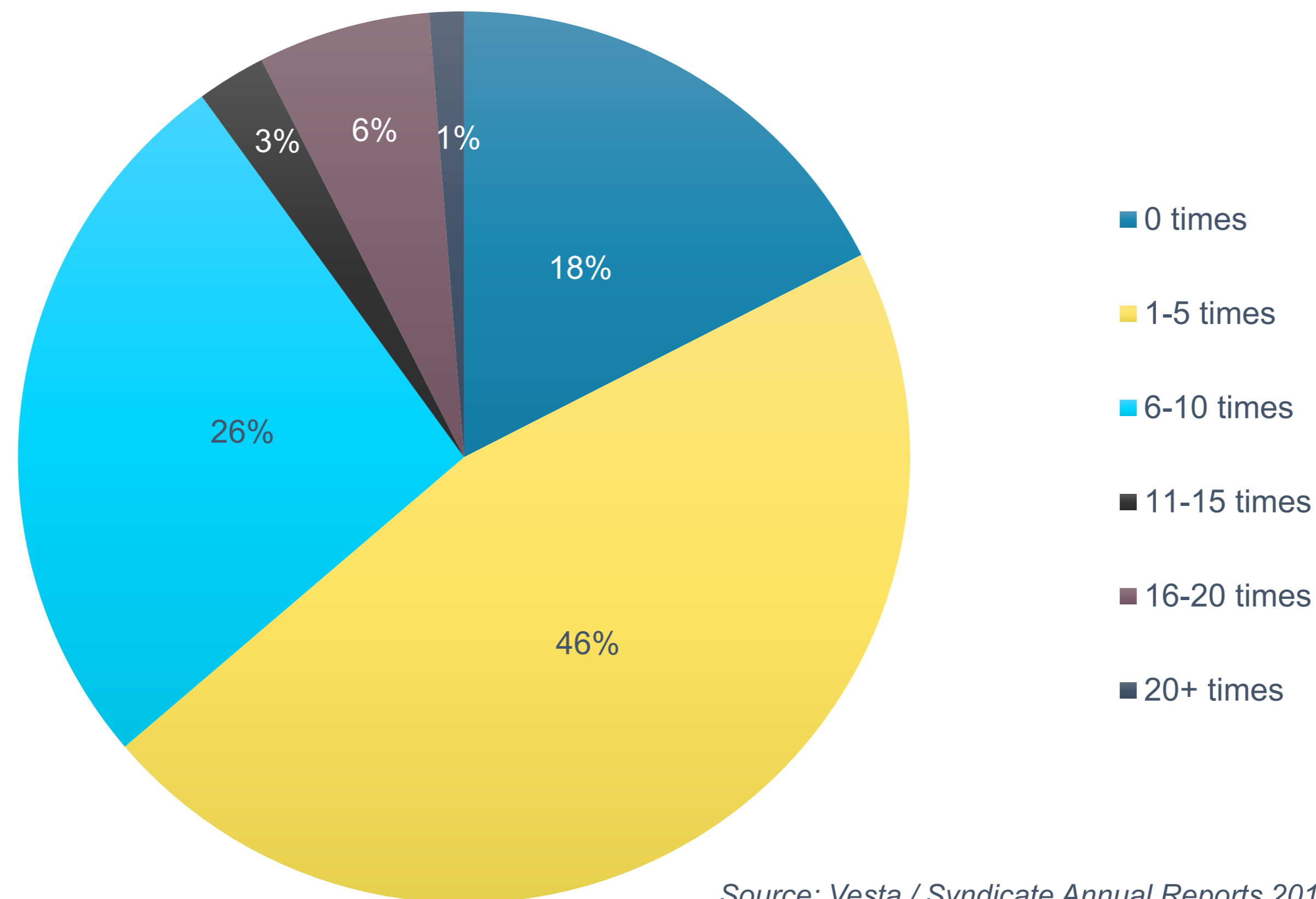
Total Returns – Dispersion is real !



Source: Vesta / Syndicate Annual Reports 2023 - 2025.

- Average IQR of 1.34% over three years with Average Range of 4.28% (even excluding outliers)
- Material skew in 2025 with 2023 and 2024 showing more symmetric distribution
- Duration arguably not a driver as Treasury yield curve environment was reasonably stable and with flat curves

ESG / Sustainability Word Count - 2025



- 18% of syndicates did not refer at all to Sustainability or ESG issues in their 2025 annual reports.
- Only 10% mentioned these topics greater than 10 times.

Executive Summary

✓ Market Wide Themes

1. **Cash:** Larger syndicates run cash tightest and cash holdings market wide have fallen materially since the 2022 yield back up.
2. **Credit Profile:** Similarity between syndicates although largest peers hold materially higher unrated allocation – likely non-core.
3. **Risk Adjusted Investment Returns (3 year):** Larger syndicates performed better on risk asset rally in a stable rate environment.
4. **Risk Adjusted Investment Returns (6 year):** Syndicates performed similarly across size quartiles in more volatile times.
5. **Total Return Dispersion:** Range of outcomes is wide at 4.28% on average over last 3 years despite flat and stable yield curves.
6. **Sustainability and ESG:** Significant diversity of emphasis on “green” topics across syndicates.

Additional Output & Service Offering

✓ Additional Available Output

1. Non-Core Allocations
2. Manager Fees – Broad Trends
3. Syndicate Specific Rankings

✓ Vesta Service Offering

1. Strategic Asset Allocation
2. Manager Search / Fee Appraisals
3. Annual Investment Strategy and Guideline Review
4. Governance: PBO Attestations

✓ Contact Details

1. **Email:** john.dockery@vestagroup.uk
2. **Phone:** +353 879786175

Lloyd's Peer Group Review- *Appendices*

- *Vesta Service Offering*
- *Sample Peer Group Output*



Vesta Service Offering

✓ From Manager Selection to Governance Advice and IC Support

1. Advice on optimal cash management strategy
2. **Strategic Asset Allocation** and Stress Testing – running the process with the manager
3. **Annual Investment Strategy** review in line with Prudent Person Principles
4. Input on best practice for Investment Committee governance structures
5. **Manager Fee Appraisals**
6. Attendance at investment committees
7. **Investment guideline review / performance monitoring**
8. Investment policy and risk appetite formulation
9. **Completion of PBO attestations** (Principle 8 on Investments) plus support with the Liquidity and Governance principles
10. Best practice for investing and reporting with ESG principles
11. Support with Lloyd's Investment Platform if appropriate
12. **Monitoring of Peer Group investment performance**
13. **Manager search, selection and ongoing surveillance**

Syndicate XYZ – Rankings (1)

	Overall Rank	Syn XYZ	Upper Mid Syndicates <i>(notional data)</i>	All Syndicates <i>(notional data)</i>
2025 Return	19 th	4.55%	3.87%	3.60%
3 Year Average Return	34 th	2.14%	2.45%	2.75%
6 Year Average Return	27 th	1.78%	1.85%	1.45%
6 Year Return Volatility*	51 st	4.43%	3.66%	3.22%
6 Year Sharpe Ratio	41 st	0.4	0.85	0.22
Cash % Investments**	5 th	0.5%	10%	15%
Cash & Cash Equivs % Investments**	2 nd	0.5%	20%	22%

Source: Vesta / Syndicate Annual Reports * Std Dev of Returns. ** Ranked on lowest % holding of Cash / Equivs.

Syndicate XYZ – Rankings (2)

Ratings Split	Overall Rank	Syn XYZ	Upper Mid Syndicates <i>(notional data)</i>	All Syndicates <i>(notional data)</i>
AAA*	34 th	19%	19%	26%
AA*	52 nd	13%	30%	28%
A*	21 st	32%	30%	21%
BBB or below*	4 th	31%	11%	17%
Other / Not Rated*	22 nd	5%	10%	8%
Implied Average Score**	57 th	5.95	4.90	4.78
Implied Average Rating	N/A	A	A+	A+

Source: Vesta / Syndicate Annual Reports. Note ALL 66 syndicates disclosed this information.

* Ranked based on highest allocation to that ratings category.

** Linear and weighted numeric score with higher score being lower rated. Ranked based on lowest score

Disclaimer

- Please note that in the United Kingdom the attached documents are exempt from the general restriction contained in section 21 of the Financial Services and Markets Act 2000 (FSMA) relating to the communication of invitations or inducements to engage in investment activity on the grounds that this communication is made to a recipient who is an investment professional as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 (the “Order”). Please also note that in Ireland the attached documents are not approved or subject to approval by the Central Bank of Ireland or by any other regulatory authority.*
- Reliance on the attached documents for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested and should only be undertaken by persons who are able to bear the consequences of such loss. The attached documents may only be communicated or caused to be communicated in the United Kingdom or Ireland to persons having professional experience in matters relating to investments, and persons who do not have such experience should not rely on the attached documents.*
- Please note that nothing in the attached documents should be taken as advice on whether to invest, and each potential investor should make their own decision as to the merits of an investment and take advice, if they wish, from an appropriately authorised person. The contents of the attached documents should not be taken as a representation or warranty from Vesta Insurance Asset Management Solutions or John Dockery on any matter. Investors should rely on their own inquiries in reaching an investment decision. The attached documents are made available for informational and background purposes only and does not, and is not intended to, constitute a prospectus or an offer to sell or an offer, inducement, invitation or commitment to purchase or subscribe for any securities of or a recommendation to enter into any transaction with any company or body corporate. This presentation should not form the basis of any investment decision and the contents do not constitute advice relating to legal, taxation or investment matters. Nothing in this presentation constitutes investment advice.*
- In particular, no representation, warranty or assurance is given by or on behalf of and no responsibility or liability is accepted by Vesta Insurance Asset Management Solutions or John Dockery or any other person as to the fairness, accuracy or completeness of the contents of this presentation or of any other statement made or purported to be made by any of them, or on behalf of them, in connection with any investment. To the extent permitted by law, no liability whatsoever is accepted for any loss howsoever arising, directly or indirectly, from any use of this presentation or such information or opinions contained herein or preparation or otherwise arising in connection herewith.*
- Vesta Insurance Asset Management Solutions Limited (Vesta) is registered in Ireland No. 746054 Directors: John Dockery*