



ENSTAR GROUP LIMITED

Investor Financial Supplement

March 31, 2023

enstargroup.com

	Page
Explanatory Notes	<u>3</u>
Financial Highlights	<u>5</u>
Consolidated Results by Segment	<u>6</u>
Capital Position & Credit Ratings	<u>8</u>
Non-GAAP Measures	<u>9</u>
Reconciliation to Adjusted Book Value per Share	<u>11</u>
Reconciliation to Adjusted Return on Equity	<u>12</u>
Reconciliation to Adjusted Run-off Liability Earnings	<u>13</u>
Reconciliation to Adjusted Total Investment Return	<u>14</u>
Investment Composition	<u>15</u>

About Enstar

Enstar is a NASDAQ-listed leading global (re)insurance group that offers innovative capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe and Australia. A market leader in completing legacy acquisitions, Enstar has acquired over 110 companies and portfolios since its formation. For further information about Enstar, see www.enstargroup.com.

Basis of Presentation

In this Investor Financial Supplement, the terms "we," "us," "our," "Enstar," or "the Company" refer to Enstar Group Limited and its consolidated subsidiaries. All information contained herein is unaudited. Unless otherwise noted, amounts are in millions of U.S. Dollars, except for share and per share amounts. This Investor Financial Supplement is being provided for informational purposes only. It should be read in conjunction with documents filed by Enstar with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q.

Non-GAAP Financial Measures

In addition to our key financial measures presented in accordance with GAAP, we present other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation program. These non-GAAP financial measures provide an additional view of our operational performance over the long-term and provide the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance. The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Some of the adjustments reflected in our non-GAAP measures are recurring items, such as the exclusion of adjustments to net realized and unrealized (gains)/losses on fixed income securities recognized in our income statement, the fair value of certain of our loss reserve liabilities for which we have elected the fair value option, and the amortization of fair value adjustments. Management makes these adjustments in assessing our performance so that the changes in fair value due to interest rate movements, which are applied to some but not all of our assets and liabilities as a result of preexisting accounting elections, do not impair comparability across reporting periods. It is important for the readers of our periodic filings to understand that these items will recur from period to period. However, we exclude these items for the purpose of presenting a comparable view across reporting periods of the impact of our underlying claims management and investments without the effect of interest rate fluctuations on assets that we anticipate to hold to maturity and non-cash changes to the fair value of our reserves. Similarly, our non-GAAP measures reflect the exclusion of certain items that we deem to be nonrecurring, unusual or infrequent when the nature of the charge or gain is such that it is not reasonably likely that such item may recur within two years, nor was there a similar charge or gain in the preceding two years. This includes adjustments related to bargain purchase gains on acquisitions of businesses, net gains or losses on sales of subsidiaries, net assets of held for sale or disposed subsidiaries classified as discontinued operations, and other items that we separately disclose. Refer to pages [9](#) to [14](#) for further details.

Investment Composition

In certain instances, U.S. GAAP requires, in part, that invested assets be classified based upon the legal form of the investment which may not correspond to management's view of the underlying economic exposure. For example:

1. Enstar has certain investments in public shares of exchange traded funds ("ETFs") where the underlying exposure of the ETF is investment grade fixed income securities, and Enstar also has certain privately held equities which management evaluates based on the underlying economic exposures. U.S. GAAP requires that these investments be classified as "Equities".
2. Enstar has certain private equity funds that are collectively held in a limited partnership, which management evaluates based on the nature of the underlying investments within these funds. U.S. GAAP requires that the investment be classified as "Private equity funds" within "Other Investments".

Where relevant, we have disclosed the underlying economic exposure of our investments in order to be consistent with the manner in which management views the underlying portfolio composition. Refer to pages [15](#) and [16](#) for further details.

Cautionary Statement

This Investor Financial Supplement contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar and its management team. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in our Form 10-K for the year ended December 31, 2022 and are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.

Financial Highlights



	Three Months Ended	
	March 31, 2023	March 31, 2022
Key Earnings Metrics		
ROE	9.5 %	(4.6)%
Annualized ROE	38.0 %	(18.4)%
Adjusted ROE ⁽¹⁾	6.8 %	(1.1)%
Annualized adjusted ROE ⁽¹⁾	27.3 %	(4.4)%
Basic net earnings (loss) per share	\$ 24.97	\$ (15.19)
Diluted net earnings (loss) per share	\$ 24.79	\$ (15.19)
Key Run-off Metrics		
Average net loss reserves	\$ 11,619	\$ 11,613
Run-off liability earnings ("RLE")	0.1 %	1.5 %
Average adjusted net loss reserves ⁽¹⁾	\$ 12,554	\$ 12,167
Adjusted RLE ⁽¹⁾	0.3 %	0.4 %
Key Investment Return Metrics		
Average aggregate invested assets	\$ 18,615	\$ 20,243
Annualized total investment return ("TIR")	9.5 %	(11.0)%
Annualized investment book yield	3.58 %	1.91 %
Earnings from equity method investments	\$ 11	\$ 31
Adjusted average aggregate invested assets ⁽¹⁾	\$ 20,020	\$ 20,459
Annualized adjusted TIR ⁽¹⁾	6.3 %	0.5 %
Share Repurchases		
Ordinary shares repurchased:		
Shares	1,597,712	162,134
Cost	\$ 341	\$ 42
Average price per share	\$ 213.13	\$ 257.49
	As of	
	March 31, 2023	December 31, 2022
Key Shareholder Metrics		
Ordinary shareholders' equity	\$ 4,367	\$ 4,464
Total Enstar shareholders' equity	\$ 4,877	\$ 4,974
Book value per ordinary share ("BVPS")	\$ 282.74	\$ 262.24
Adjusted BVPS ⁽¹⁾	\$ 277.38	\$ 258.92
Change in adjusted BVPS	7.1 %	(19.9)%
Total ordinary shares outstanding	15,445,128	17,022,420
Adjusted ordinary shares outstanding	15,743,925	17,240,591
Key Balance Sheet Metrics		
Total assets	\$ 20,345	\$ 22,154
Debt obligations	\$ 1,830	\$ 1,829
Total liabilities	\$ 15,291	\$ 16,826
Total investable assets to ordinary shareholders' equity	4.07x	4.38x
Total net loss reserves to ordinary shareholders' equity	2.57x	2.69x
Debt to total capitalization attributable to Enstar	27.3 %	26.9 %

enstargroup.com ⁽¹⁾ Non-GAAP financial measure, refer to pages 9 to 14 for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

Consolidated Results by Segment - Q1 2023



	Three Months Ended					
	March 31, 2023					
	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	Total
INCOME						
Net premiums earned	\$ 8	\$ —	\$ —	\$ —	\$ —	\$ 8
Net investment income	—	—	156	—	—	156
Net realized losses	—	—	(36)	—	—	(36)
Net unrealized gains	—	—	224	—	—	224
Other income	5	275	—	—	—	280
Total income	13	275	344	—	—	632
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	10	—	—	—	—	10
Prior period	(33)	—	—	—	23	(10)
Total net incurred losses and loss adjustment expenses	(23)	—	—	—	23	—
Amortization of net deferred charge assets	—	—	—	—	17	17
Acquisition costs	2	—	—	—	—	2
General and administrative expenses	39	—	11	—	39	89
Total expenses	18	—	11	—	79	108
(LOSS) EARNINGS BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(5)	275	333	—	(79)	524
Earnings from equity method investments	—	—	11	—	—	11
SEGMENT (LOSS) EARNINGS	\$ (5)	\$ 275	\$ 344	\$ —	(79)	535
Interest expense					(23)	(23)
Net foreign exchange gains					6	6
Income tax benefit					1	1
NET EARNINGS						519
Net loss attributable to noncontrolling interests					(86)	(86)
NET EARNINGS ATTRIBUTABLE TO ENSTAR						433
Dividends on preferred shares					(9)	(9)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS					\$ (190)	\$ 424

⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo, LLC ("DCo") and Morse TEC LLC ("Morse TEC"). Net incurred losses and loss adjustment expenses for corporate and other activities includes fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Consolidated Results by Segment - Q1 2022

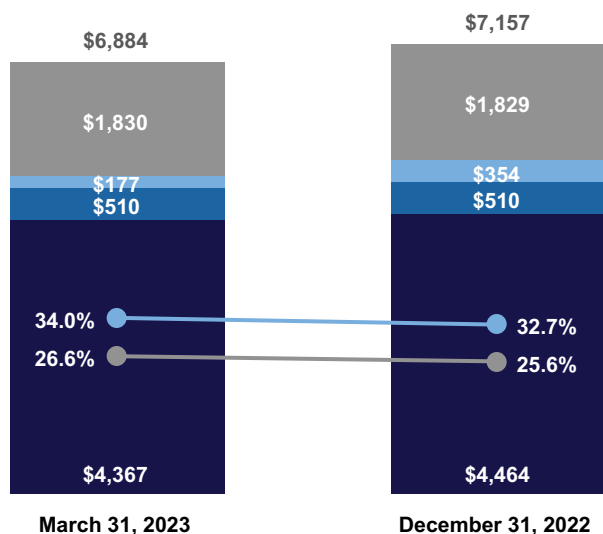


Three Months Ended
March 31, 2022

	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	Total
INCOME						
Net premiums earned	\$ 17	\$ 14	\$ —	\$ 3	\$ —	\$ 34
Net investment income	—	—	76	4	—	80
Net realized losses	—	—	(37)	—	—	(37)
Net unrealized losses	—	—	(375)	(6)	—	(381)
Other income	10	—	—	1	3	14
Total income	27	14	(336)	2	3	(290)
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	11	—	—	2	—	13
Prior period	(50)	(29)	—	(1)	(96)	(176)
Total net incurred losses and loss adjustment expenses	(39)	(29)	—	1	(96)	(163)
Policyholder benefit expenses	—	12	—	—	—	12
Amortization of net deferred charge assets	—	—	—	—	18	18
Acquisition costs	8	—	—	—	—	8
General and administrative expenses	39	2	9	1	34	85
Total expenses	8	(15)	9	2	(44)	(40)
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	19	29	(345)	—	47	(250)
Earnings from equity method investments	—	—	31	—	—	31
SEGMENT EARNINGS (LOSS)	\$ 19	\$ 29	\$ (314)	\$ —	47	(219)
Interest expense					(25)	(25)
Net foreign exchange losses					(3)	(3)
Income tax expense					—	—
NET LOSS						(247)
Net earnings attributable to noncontrolling interests					(11)	(11)
NET LOSS ATTRIBUTABLE TO ENSTAR						(258)
Dividends on preferred shares					(9)	(9)
NET LOSS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS					\$ (1)	\$ (267)

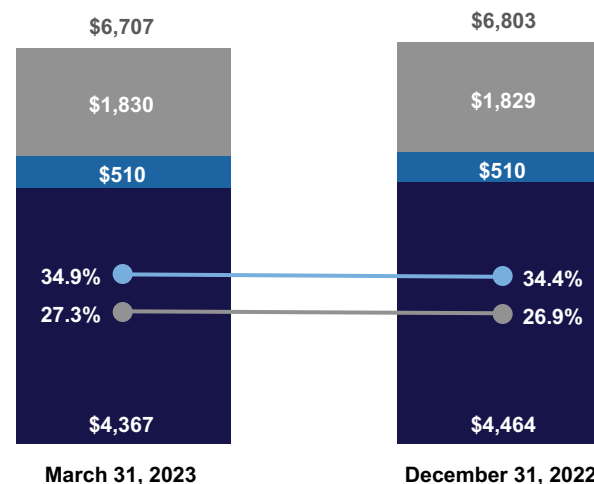
⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo and Morse TEC. Net incurred losses and loss adjustment expenses for corporate and other activities includes fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Total Capitalization



- Debt and Series D and E Preferred Shares to total capitalization
- Debt to total capitalization
- Debt obligations
- NCI and RNCI
- Series D and E Preferred Shares
- Ordinary shareholders' equity

Total Capitalization Attributable to Enstar



- Debt and Series D and E Preferred Shares to total capitalization attributable to Enstar
- Debt to total capitalization attributable to Enstar
- Debt obligations
- Series D and E Preferred Shares
- Ordinary shareholders' equity

Credit ratings ⁽¹⁾

Long-term issuer
2029 Senior Notes
2031 Senior Notes
2040 and 2042 Junior Subordinated Notes
Series D and E Preferred Shares

Standard and Poor's

BBB (Outlook: Positive)
BBB
BBB-
BB+
BB+

Fitch Ratings

BBB+ (Outlook: Stable)
BBB
BBB
BBB-
BBB-

⁽¹⁾ Credit ratings are provided by third parties, Standard & Poor's and Fitch Ratings, and are subject to certain limitations and disclaimers. For information on these ratings, refer to the rating agencies' websites and other publications.

Non-GAAP Measures



Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<u>Adjusted book value per ordinary share</u>	Total Enstar ordinary shareholders' equity Divided by Number of ordinary shares outstanding, adjusted for: <i>-the ultimate effect of any dilutive securities on the number of ordinary shares outstanding</i>	Increases the number of ordinary shares to reflect the exercise of equity awards granted but not yet vested as, over the long term, this presents both management and investors with a more economically accurate measure of the realizable value of shareholder returns by factoring in the impact of share dilution. We use this non-GAAP measure in our incentive compensation program.
<u>Adjusted return on equity (%)</u>	Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity	Calculating the operating income (loss) as a percentage of our adjusted opening Enstar ordinary shareholders' equity provides a more consistent measure of the performance of our business by enabling comparison between the financial periods presented.
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)	Net earnings (loss) attributable to Enstar ordinary shareholders, adjusted for: <i>-net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed,</i> <i>-change in fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾,</i> <i>-amortization of fair value adjustments,</i> <i>-net gain/loss on purchase and sales of subsidiaries (if any),</i> <i>-net earnings from discontinued operations (if any),</i> <i>-tax effects of adjustments, and</i> <i>-adjustments attributable to noncontrolling interests</i>	We eliminate the impact of net realized and unrealized (gains) losses on fixed maturity investments and funds-held directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as: <ul style="list-style-type: none"> • we typically hold most of our fixed income securities until the earlier of maturity or the time that they are used to fund any settlement of related liabilities which are generally recorded at cost; and • removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option. <p>Therefore, we believe that excluding their impact on our earnings improves comparability of our core operational performance across periods.</p>
Adjusted opening Enstar ordinary shareholders' equity (denominator)	Opening Enstar ordinary shareholders' equity, less: <i>-net unrealized gains (losses) on fixed maturity investments and funds held-directly managed,</i> <i>-fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾,</i> <i>-fair value adjustments, and</i> <i>-net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)</i>	We include fair value adjustments as non-GAAP adjustments to the adjusted operating income (loss) attributable to Enstar ordinary shareholders as they are non-cash charges that are not reflective of the impact of our claims management strategies on our loss portfolios. We eliminate the net gain (loss) on the purchase and sales of subsidiaries and net earnings from discontinued operations, as these items are not indicative of our ongoing operations. We use this non-GAAP measure in our incentive compensation program.
<u>Adjusted total investment return (%)</u>	Adjusted total investment return (dollars) recognized in earnings for the applicable period divided by period average adjusted total investable assets.	Provides a key measure of the return generated on the capital held in the business and is reflective of our investment strategy.
Adjusted total investment return (\$) (numerator)	Total investment return (dollars), adjusted for: <i>-net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed; and</i> <i>-unrealized (gains) losses on fixed income securities, AFS included within OCI, net of reclassification adjustments and excluding foreign exchange.</i>	Provides a consistent measure of investment returns as a percentage of all assets generating investment returns. We adjust our investment returns to eliminate the impact of the change in fair value of fixed income securities (both credit spreads and interest rates), as we typically hold most of these investments until the earlier of maturity or used to fund any settlement of related liabilities which are generally recorded at cost.
Adjusted average aggregate total investable assets (denominator)	Total average investable assets, adjusted for: <i>-net unrealized (gains) losses on fixed income securities, AFS included within AOCI</i> <i>-net unrealized (gains) losses on fixed income securities, trading</i>	

⁽¹⁾ Comprises the discount rate and risk margin components.

Non-GAAP Measures (continued)



Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted run-off liability earnings (%)	Adjusted PPD divided by average adjusted net loss reserves	Calculating the RLE as a percentage of our adjusted average net loss reserves provides a more meaningful and comparable measurement of the impact of our claims management strategies on our loss portfolios across acquisition years and also to our overall financial periods.
Adjusted prior period development (numerator)	Prior period net incurred losses and LAE, adjusted to: <i>Remove:</i> -Legacy Underwriting and Assumed Life operations, -amortization of fair value adjustments, -change in fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾ , and <i>Add:</i> -the reduction/(increase) in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.	We use this measure to evaluate the impact of our claims management strategies because it provides visibility into our ability to settle our claims obligations for amounts less than our initial estimate at the point of acquiring the obligations. The following components of periodic recurring net incurred losses and LAE and net loss reserves are not considered key components of our claims management performance for the following reasons:
Adjusted net loss reserves (denominator)	Net losses and LAE, adjusted to: <i>Remove:</i> -Legacy Underwriting and Assumed Life net loss reserves, -current period net loss reserves, -net fair value adjustments associated with the acquisition of companies, -the fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾ and <i>Add:</i> -net nominal defendant A&E liability exposures and estimated future expenses	<ul style="list-style-type: none"> • The results of our Legacy Underwriting segment have been economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement⁽²⁾; as such, the results are not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies; • The results of our Assumed Life segment relate only to our exposure to active property catastrophe business; as this business is not in run-off, the results are not a relevant contribution to Adjusted RLE; • The change in fair value of insurance contracts for which we have elected the fair value option⁽¹⁾ has been removed to support comparability between the two acquisition years for which we elected the fair value option in reserves assumed and the acquisition years for which we did not make this election (specifically, this election was only made in the 2017 and 2018 acquisition years and the election of such option is irrevocable); and • The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis. We include our performance in managing claims and estimated future expenses on our defendant A&E liabilities because such performance is relevant to assessing our claims management strategies even though such liabilities are not included within the loss reserves. We use this measure to assess the performance of our claim strategies and part of the performance assessment of our past acquisitions.

⁽¹⁾ Comprises the discount rate and risk margin components.

⁽²⁾ As described in Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

Reconciliation to Adjusted Book Value Per Share



	As of					
	March 31, 2023			December 31, 2022		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ^{(1) (2)}	Ordinary Shares	Per Share Amount
Book value per ordinary share	\$ 4,367	15,445,128	\$ 282.74	\$ 4,464	17,022,420	\$ 262.24
Non-GAAP adjustments:						
Share-based compensation plans		298,797			218,171	
Adjusted book value per ordinary share*	<u>\$ 4,367</u>	<u>15,743,925</u>	<u>\$ 277.38</u>	<u>\$ 4,464</u>	<u>17,240,591</u>	<u>\$ 258.92</u>

⁽¹⁾ Equity comprises Enstar ordinary shareholders' equity, which is calculated as Enstar shareholders' equity less preferred shares (\$510 million), prior to any non-GAAP adjustments.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

* Non-GAAP financial measure.

Reconciliation to Adjusted Return on Equity - Q1 2023 and 2022



	Three Months Ended March 31,							
	2023				2022			
	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾⁽²⁾	(Adj) ROE	Annualized (Adj) ROE	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾	(Adj) ROE	Annualized (Adj) ROE
Net earnings (loss)/Opening equity/ROE ⁽¹⁾	\$ 424	\$ 4,464	9.5 %	38.0 %	\$ (267)	\$ 5,813	(4.6)%	(18.4)%
Non-GAAP adjustments:								
Net realized and unrealized (gains) losses on fixed income securities and funds held - directly managed / Net unrealized (gains) losses on fixed income securities and funds held - directly managed ⁽³⁾	(41)	1,827			334	(89)		
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽⁴⁾	20	(294)			(98)	(107)		
Amortization of fair value adjustments / Fair value adjustments	3	(124)			2	(106)		
Tax effects of adjustments ⁽⁵⁾	(3)	—			(26)	—		
Adjustments attributable to noncontrolling interests ⁽⁶⁾	(2)	—			(5)	—		
Adjusted operating income (loss)/Adjusted opening equity/Adjusted ROE*	<u>\$ 401</u>	<u>\$ 5,873</u>	<u>6.8 %</u>	<u>27.3 %</u>	<u>\$ (60)</u>	<u>\$ 5,511</u>	<u>(1.1)%</u>	<u>(4.4)%</u>

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2022 and 2021), prior to any non-GAAP adjustments.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

⁽³⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽⁴⁾ Comprises the discount rate and risk margin components.

⁽⁵⁾ Represents an aggregation of the tax expense or benefit associated with the specific country to which the pre-tax adjustment relates, calculated at the applicable jurisdictional tax rate.

⁽⁶⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

* Non-GAAP financial measure.

Reconciliation to Adjusted Run-off Liability Earnings - QTD 2023 and 2022



	Three Months Ended		As of		Three Months Ended	
	March 31, 2023		December 31, 2022		March 31, 2023	
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %
PPD/net loss reserves/RLE/Annualized RLE	\$ 10	\$ 11,226	\$ 12,011	\$ 11,619	0.1 %	0.3 %
Non-GAAP Adjustments:						
Legacy Underwriting	—	—	(139)	(70)		
Net loss reserves - current period	—	(9)	—	(5)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	3	121	124	123		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	20	278	294	286		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	560	572	566		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	34	35	35		
Adjusted PPD/Adjusted net loss reserves/ Adjusted RLE/Annualized Adjusted RLE*	\$ 36	\$ 12,210	\$ 12,897	\$ 12,554	0.3 %	1.1 %

	Three Months Ended		As of		Three Months Ended	
	March 31, 2022		December 31, 2021		March 31, 2022	
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %
PPD/net loss reserves/RLE/Annualized RLE	\$ 176	\$ 11,300	\$ 11,926	\$ 11,613	1.5 %	6.1 %
Non-GAAP Adjustments:						
Assumed Life	(29)	(152)	(181)	(166)		
Legacy Underwriting	(1)	(143)	(153)	(149)		
Net loss reserves - current period	—	(13)	—	(7)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	2	104	106	105		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(98)	201	107	154		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	3	586	573	580		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	—	37	37	37		
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/Annualized Adjusted RLE*	\$ 53	\$ 11,920	\$ 12,415	\$ 12,167	0.4 %	1.7 %

⁽¹⁾ Comprises the discount rate and risk margin components.

* Non-GAAP financial measure.

Reconciliation to Adjusted Total Investment Return



	Three Months Ended March 31,	
	2023	2022
Investment results		
Net investment income	\$ 156	\$ 80
Net realized losses	(36)	(37)
Net unrealized gains (losses)	224	(381)
Earnings from equity method investments	11	31
Other comprehensive income:		
Unrealized gains (losses) on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	87	(252)
TIR (\$)	\$ 442	\$ (559)
Non-GAAP adjustments:		
Net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed	(41)	334
Unrealized (gains) losses on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	(87)	252
Adjusted TIR (\$)*	\$ 314	\$ 27
Total investments	13,372	17,242
Cash and cash equivalents, including restricted cash and cash equivalents	1,143	1,135
Funds held by reinsured companies	3,258	2,241
Total investable assets	\$ 17,773	\$ 20,618
Average aggregate invested assets, at fair value ⁽¹⁾	\$ 18,615	\$ 20,243
Annualized TIR % ⁽²⁾	9.5 %	(11.0)%
Non-GAAP adjustment:		
Net unrealized losses on fixed maturities, AFS investments included within AOCI and net unrealized losses (gains) on fixed maturities, trading instruments	994	521
Adjusted investable assets*	\$ 18,767	\$ 21,139
Adjusted average aggregate invested assets, at fair value ⁽³⁾	\$ 20,020	\$ 20,459
Annualized adjusted TIR %* ⁽⁴⁾	6.3 %	0.5 %

⁽¹⁾ This amount is a two period average of the total investable assets for the three months ended March 31, 2023 and 2022, respectively, as presented above, and is comprised of amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

⁽²⁾ Annualized TIR % is calculated by dividing the annualized TIR (\$) by average aggregate invested assets, at fair value.

⁽³⁾ This amount is a two period average of the total investable assets for the three months ended March 31, 2023 and 2022, respectively, as presented above.

⁽⁴⁾ Annualized adjusted TIR %* is calculated by dividing the annualized adjusted TIR* (\$) by adjusted average aggregate invested assets, at fair value*.

*Non-GAAP measure.

Investment Composition - March 31, 2023



	March 31, 2023		Other Investments								Equities			Cash ⁽²⁾	
			Hedge Funds	Fixed income funds	Equity funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate debt fund	Other ⁽¹⁾	Publicly traded equities	Exchange-traded funds		Privately held equities
Short-term and fixed maturity investments, trading and AFS and funds held - directly managed	\$ 8,452	47.6 %													
Other assets included within funds held - directly managed	15	0.1 %													
Equities															
Publicly traded equities	306	1.7 %									306				
Exchange-traded funds	415	2.3 %		68								347			
Privately held equities	357	2.1 %		53		19		137					148		
Total	1,078	6.1 %	— %	11 %	— %	— %	2 %	— %	13 %	— %	— %	28 %	32 %	14 %	— %
Other investments															
Hedge funds ⁽¹⁾	584	3.3 %	502	82											
Fixed income funds	550	3.1 %		550											
Equity funds	4	— %									4				
Private equity funds	1,353	7.6 %		22		910		102	61	49	13	64	6	126	
CLO equities	140	0.8 %					140								
CLO equity funds	212	1.2 %					212								
Private credit funds	351	2.0 %						351							
Real estate debt fund	223	1.2 %							223						
Total	3,417	19.2 %	15 %	19 %	— %	27 %	10 %	— %	13 %	8 %	1 %	1 %	2 %	— %	4 %
Equity method investments	410	2.3 %													
Total investments	13,372	75.3 %													
Cash and cash equivalents (including restricted cash)	1,143	6.4 %													
Funds held by reinsured companies	3,258	18.3 %													
Total investable assets	\$ 17,773	100.0 %													

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.

Investment Composition - December 31, 2022



	December 31, 2022		Other Investments								Equities			Cash ⁽²⁾	
			Hedge Funds	Fixed income funds	Equity funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate debt fund	Other ⁽¹⁾	Publicly traded equities	Exchange-traded funds		Privately held equities
Short-term and fixed maturity investments, trading and AFS and funds held - directly managed	\$ 9,631	49.3 %													
Other assets included within funds held - directly managed	54	0.3 %													
Equities															
Publicly traded equities	385	2.0 %									385				
Exchange-traded funds	507	2.6 %		68								439			
Privately held equities	358	1.8 %		52			25	178					103		
Total	1,250	6.4 %	— %	10 %	— %	— %	2 %	— %	14 %	— %	— %	31 %	35 %	8 %	— %
Other investments															
Hedge funds ⁽¹⁾	549	2.8 %	468	81											
Fixed income funds	547	2.8 %		547											
Equity funds	3	— %									3				
Private equity funds	1,282	6.6 %		159		825		96	59	28	13	58	6	38	
CLO equities	148	0.8 %					148								
CLO equity funds	203	1.0 %					203								
Private credit funds	362	1.9 %						362							
Real estate debt fund	202	1.0 %							202						
Total	3,296	16.9 %	14 %	24 %	— %	25 %	11 %	— %	14 %	8 %	1 %	— %	2 %	— %	1 %
Equity method investments	397	2.0 %													
Total investments	14,628	74.9 %													
Cash and cash equivalents (including restricted cash)	1,330	6.8 %													
Funds held by reinsured companies	3,582	18.3 %													
Total investable assets	\$ 19,540	100.0 %													

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.