

Experienced Underwriting and Alternative Investments Capabilities in an Optimized Structure



ABR Re



BLACKROCK®

Proprietary access to a globally diversified, attractive reinsurance portfolio from ACE

- Proprietary long-term access to a core pool of ACE's ceded P&C reinsurance treaties placed with 3rd parties
 - Limited ramp-up, adverse selection or sustainability risk
 - Immediate diversification across products, geographies and customer types
 - Proven, long-term track record of underlying profitability
- ACE is a premier underwriter focusing on proper risk selection and control (focus on both gross and net profitability)
- Financial strength rating not required to generate or retain business
- Cost advantage with ACE as long-term cedent

Differentiated relationship with BlackRock to create an exclusive, well diversified investment portfolio strategy

- Multi-strategy, multi-asset class portfolio seeks to optimize risk-adjusted returns while seeking to maintain sufficient liquidity
 - Asset allocation focused primarily on preservation of capital and secondarily to obtain favorable risk-adjusted real total returns
- Dynamic portfolio management to capitalize on changing market environment (no reliance on a single hedge fund strategy)
- Portfolio leverages BlackRock's core expertise and historical success in providing alternative investment solutions globally
 - Market leading access to, and sourcing of, investment opportunities globally
 - Expertise in portfolio construction, monitoring and risk management via BlackRock's proprietary Aladdin system
- Over \$200 billion of assets managed for insurance companies

Superior business model designed to generate well diversified risk-adjusted returns

- Complementary income streams from reinsurance margins and portfolio returns can generate well diversified risk-adjusted returns from both sides of the balance sheet
- Embedded leverage and negative cost of carry as a function of reinsurance float and expected underwriting profitability
- Operating expense advantage though lean, scalable operating model

Strong alignment of interests between Sponsors and investors with limited risk of adverse selection

- Affiliates of both Sponsors will be significant investors in ABR Re and a material portion of the Sponsors' fees and commissions under the Master Reinsurance Program and Investment Management agreements will be tied to performance
- Pricing on reinsurance contracts to be set on an arm's-length basis by ACE's panel of reinsurers, including market leaders, and contract selection to be done by ABR Re staff from the broad set of programs presented (mitigating adverse selection concerns)
- Sponsors absorbing half of the upfront placement fees and all of certain offering and formation expenses above cap