

Insurance Industry Focus

Freeman & Co. LLC

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Indices at June 1, 2012

Index / Metric	Value
DJIA	12,118
NASDAQ	2,747
S&P 500	1,276
FTSE 100	5,260
10 yr Bond	1.45%
USD per GBP	\$1.54
USD per Euro	\$1.24

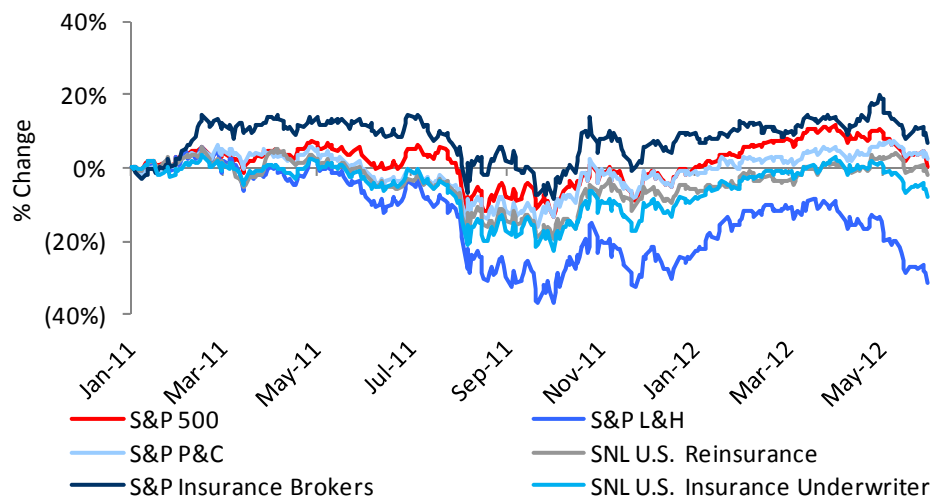
Harder Markets Ahead?

Insurance Companies Maneuver through a Continued Low Rate and Changing Regulatory Environment

As insurance companies manage their way through the low interest rate environment, record 2011 cat losses, an ever-changing regulatory & accounting environment and a shaky economy, numerous industry trends have identified themselves as having some durability. After a lengthy soft market with relatively poor underwriting results, it is likely that 2012 will be a harder market in both life and P&C segments. In this report we discuss that industry trends that have become evident post-crisis, including:

- Decreased net investment yields partially caused by the low interest rate environment that will continue through 2014
- A very light first quarter 2012 in terms of catastrophe losses following the exceptional losses experienced in 2011
- Increased ILS volume, ILS fund inflows and ILS deals
- Workers' compensation insurance pressures continue in 2012
- Insurance companies moving to debt financing due to low interest rates, adequate capitalization and depressed equity values

U.S. Insurance Company Stock Performance



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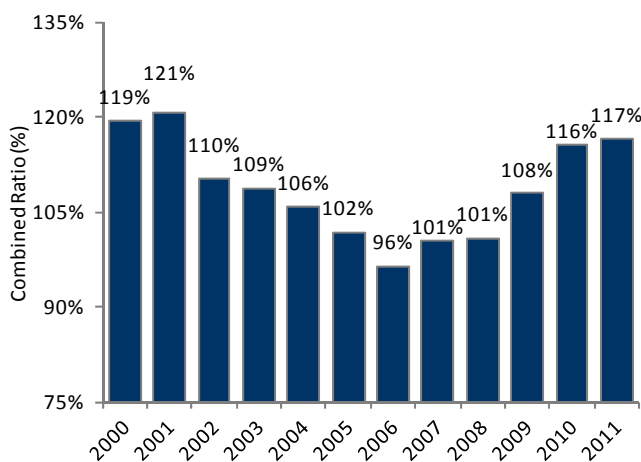
Key Themes for 2012-2013

The implications of low interest rates on investment yields and earnings remains a prevalent issue as over 70% of insurance companies investment portfolios are held in bonds (see page 6 for more information). The 10 Year treasury rate was 4.03% at the beginning of 2008, and stood at 1.95% as of April 30, 2012, with indications from the Federal Reserve that low rates will likely continue through 2014. Low interest rates are particularly difficult for life insurance companies, as many of their products are based on fixed investment returns and benefits. Coupled with increased life expectancy, low interest rates will motivate life insurance companies to decrease benefits offered, which will put increasing pressure on retirement income adequacy.

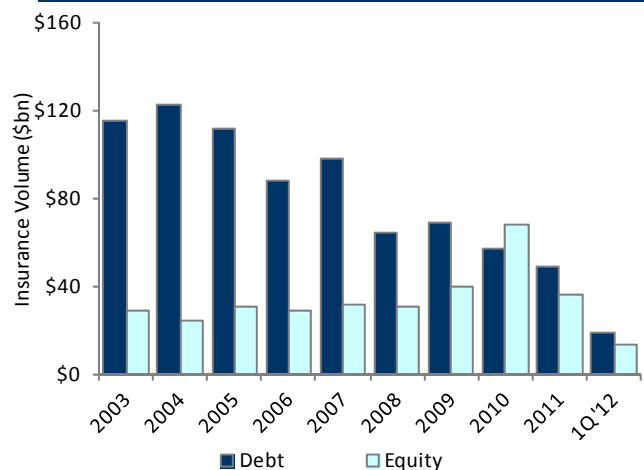
While 2011 was the costliest year in terms of catastrophe losses (see page 5), and insurance companies continue to adjust disaster losses upwards, 2012 has started with very light catastrophe activity. As buyers look to capital markets for catastrophe insurance, the catastrophe bond market is looking like it will have a strong 2012. Cat bond volumes have picked up in 2012, with approximately \$800 million of issuance in the first six weeks of the year. Brokers are currently predicting that the market will issue between \$5 billion and \$7 billion of cat bonds over the course of 2012, and that there will continue to be strong deal flows coming through the market⁽⁴⁾. Notable ILS deals include Northhill Capital's investment into Securis Investment Partners in April 2012 (through their investment Northhill joins Stone Point Capital and Swiss Re as investors in the company). Another notable transaction was LGT Group's acquisition of Clariden Leu's ILS investment management business in March 2012. In addition to strong ILS issuance, 2011 and 2012 have seen increased inflows into dedicated ILS fund managers including Credit Suisse Asset Management and Nephila Capital.

Workers' compensation insurance remains under pressure due to high unemployment levels in the US, reserve depletion, the volatile equity environment and low investment yields. With only three years of underwriting profitability since 1991, and underwriting losses likely to stay at recent years levels (primarily from accidents from 2007 to 2010), it is likely that 2012 will be another unprofitable year from workers' compensation insurance companies. S&P issued a report in January of 2012 indicating that downgrades are likely in the industry due to adverse market conditions. Workers' compensation combined ratios have risen from 101% in 2008 to 116% in 2010, with expectations of at least 117% once 2011 numbers are finalized. Poor underwriting results combined with low investment yields will hinder the industry going forward despite rate increases, as these companies typically used investment income to offset their underwriting losses.

Workers' Comp Combined Ratio



Insurance Capital Raising



In recent year, insurance companies have moved increasingly towards raising capital through equity sales. However in the first quarter of 2012 insurers focused on raising debt, issuing \$19 billion of debt in the first quarter, surpassing 2011, on an annualized basis by 58%. The largest debt issuance was AIG's \$1.25bn 5-year senior unsecured bond at 3.8%, and the most active underwriter was Bank of America Merrill Lynch. Debt was issued with an average 10-year maturity and 4% coupon. Strong capital levels drove the move towards debt, as the low cat losses in the first quarter of 2012 left the P&C industry well capitalized.

Life & Health Insurance Overview

- As addressed in the Freeman & Co. FLASH Report in February on the effects of the low interest rate environment on insurers and other financial institutions, life companies are extremely exposed to interest rate risk, and while they have sophisticated processes in place to protect themselves on the downside, prolonged low interest rates significantly hinder profitability across many product lines. The low interest rate trend has depressed net investment yields since 2007
- While the Dodd-Frank legislation has been in effect for over a year, many rules have yet to be formalized, and life insurers will need to navigate the impacts of both accounting and regulatory changes simultaneously
 - In the Freeman & Co. FLASH Report in November 2011, we discussed in detail the effects of the concurrent accounting change in deferred acquisition accounting and the implementation of regulatory rules affecting Bank Holding Companies
 - While it is unlikely that P&C insurers (as opposed to life insurance companies like MetLife) will be deemed systemically important financial institutions, both P&C and life insurers alike are eagerly awaiting further clarity on Dodd-Frank implementation
- Capital management of life insurance companies was a recurrent theme in 2010 and 2011 as share buybacks increased substantially from their post-crisis levels
 - A notable example was Primerica Inc.'s repurchase of \$150 million of its shares from Warburg Pincus representing 9% of outstanding shares

Selected Life Insurance Transactions

Announce Date	Target	Target Type	Target Country	Acquirer Name	Deal Value (\$mm)	% Acquired
7/25/2011	ING Groep NV. ⁽¹⁾	Carrier	Colombia	Investor Group	3,700	100%
2/22/2011	Banco Santander S.A. ⁽¹⁾	Broker	Spain	Zurich Financial Services AG	1,670	51%
3/28/2012	Irish Life	Carrier	Ireland	Department of Finance, Ireland	1,729	100%
3/11/2011	Taikang Life Insurance	Carrier	China	Investor Group	1,200	16%
3/7/2012	HSBC Holdings ⁽¹⁾ , Hang Seng Bank ⁽¹⁾	Carrier	Hong Kong, Singapore, Mexico	AXA, QBE Insurance	914	100%
5/31/2012	SRLC America Holding	Carrier	USA	Jackson National Life	612	100%
2/3/2012	Crump Life Insurance	Carrier	USA	BB&T Corp.	570	100%
10/6/2011	EquiTrust Life	Broker	USA	Guggenheim Capital	440	100%

Selected Financials for Life Insurance Market

Balance Sheet (\$bn)	2009	2010	2011	Income Statement (\$bn)	2009	2010	2011
Total Cash and Investments	3,071.9	3,196.2	3,360.5	Premiums, Consideration & Deposits	510.4	581.2	623.9
Total Assets	4,854.2	5,196.7	5,370.0	Net Investment Income	156.6	164.1	167.3
Net Policy Reserves - Life	2,113.6	2,191.7	2,312.3	Separate Accounts Revenue	20.4	23.4	26.1
Net Policy Reserves - A&H	190.2	207.1	222.3	Total Revenue	776.7	773.3	835.0
Total Policy Reserves	2,303.7	2,398.9	2,534.7	Pre-tax Operating Income	61.0	53.1	28.0
Total Liabilities	4,563.6	4,890.3	5,059.6	Net Income	21.5	28.0	14.4
Surplus Notes	29.5	32.1	31.3	Net Yield on Invested Assets	5.1%	5.2%	5.1%
Capital and Surplus	290.7	306.4	310.4				
Growth Rate Total Reserves incl. SA (%)	7.4%	7.2%	2.8%				

Property & Casualty Insurance Overview

- Low interest rates also depress net investment yields of P&C insurance companies, which typically have lower investment yields to begin with
- Rate increases are expected in many P&C lines of business due to low investment yields, poor underwriting results and declining capacity for prior-year reserve releases
 - According to MarketScout, average P&C rates rose 1% in December of 2011, making it the second consecutive month of increases, signaling an end to the soft P&C market of previous years
- High catastrophe losses were a key feature of P&C earnings in 2011, as the year brought in the highest amount of catastrophe losses on record
 - While initial valuations had 2011 as the second higher year of insured losses (second to 2005), loss creep (defined as changes in previous loss estimates) has been significant, at over \$2.7 billion (see page 5 for more details on disaster losses in 2011)
- Despite the market pick up so far in 2012, P&C valuations remain below their historical normal due to the market pressures mentioned above
- The depressed market has led to a steady stream of M&A, with most activity involving distressed sellers or buyers looking to expand across product or geographical lines (there have been 135 P&C deals as of 4/25/2012 and 382 in full year 2011)

Selected P&C Insurance Transactions

Announce Date	Target	Target Type	Target Country	Acquirer Name	Deal Value (\$mm)	% Acquired
11/20/2011	Transatlantic Holdings	Carrier	USA	Alleghany Corporation	3,535	100%
5/31/2011	AXA Canada	Carrier	Canada	Intact Financial	2,600	100%
12/21/2011	Delphi Financial Group	Broker	USA	Tokio Marine Holdings	2,700	100%
8/22/2011	Meritz Fire & Marine Insurance	Carrier	South	Meritz Financial Group	1,250	10%
5/5/2011	Compagnie Européenne de Prévoyance	Broker	France	J.C. Flowers & Co.	1,235	NA
5/17/2011	White Mountains' Esurance	Carrier	USA	Allstate Corporation	1,000	100%

Selected Financials for P&C Insurance Market

Balance Sheet (\$bn)	2009	2010	2011	Income Statement (\$bn)	2009	2010	2011
Total Cash and Investments	1,260.4	1,316.2	1,343.5	Direct Premiums Written	481.7	483.1	500.9
Total Assets	1,491.7	1,548.4	1,591.2	Net Reinsurance Premiums	(58.8)	(56.9)	(59.1)
Loss Reserves	465.0	468.4	496.1	Net Premiums Written	422.9	426.2	441.8
Loss Adjustment Expense				Net Underwriting Gain (Loss)	1.5	(8.3)	(35.4)
Reserves	99.2	101.1	104.5	Net Investment Income	48.4	48.1	51.0
Unearned Premium Reserves	199.4	200.9	204.9	Net Realized Capital Gains (Losses)	(7.8)	7.8	7.6
Total Liabilities	975.9	986.7	1,029.1	Pre-tax Operating Income	48.6	38.2	15.6
Surplus Notes	14.2	15.5	14.7	Net Income	32.2	37.2	20.1
Capital and Surplus	518.0	561.8	562.1	Net Yield on Invested Assets	3.9%	3.7%	3.8%
Change in Loss and LAE Reserves / Reserves	(0.6%)	0.9%	5.5%				

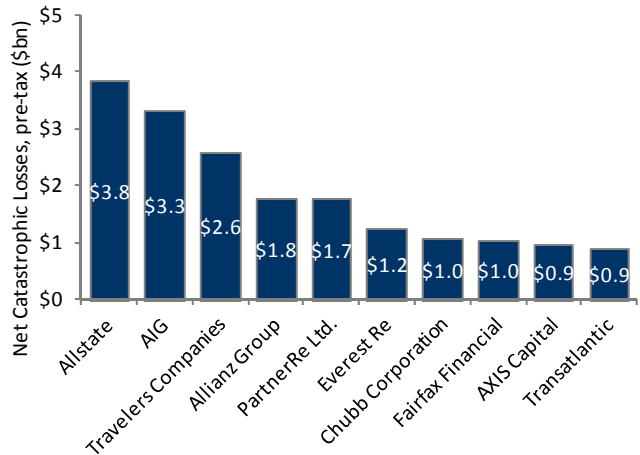
Natural Disaster Losses

- Natural catastrophe losses in 2011 cost insurers approximately \$105 billion globally, and cost the global economy about \$380 billion making it the costliest year ever in terms of losses, beating 2005 with economic losses of \$220 billion and insured losses of \$101 billion (primarily due to Hurricane Katrina)
- The exceptionally large catastrophe losses reported in 2011 hindered the earnings of many insurance companies, especially Allstate and AIG who recorded \$3.9 billion and \$3.3 billion, respectively, of net cat losses for 2011

Top 2011 Cat Events

Event	Date	Insured Losses (\$ bn)	Economic Losses (\$bn)
Earthquake and tsunami in Japan	Mar-11	35.0	210.0
Flood in Thailand	Jul-11	12.0	30.0
Earthquake in New Zealand	Feb-11	12.0	15.0
Severe storm, tornadoes in AL	Apr-11	7.3	11.0
Severe storm, tornadoes in MO	May-11	7.0	9.0
Hurricane Irene	Aug-11	5.3	8.0
Floods in Australia	Sep-11	2.3	6.1
Earthquake in New Zealand	Jun-11	2.0	3.0
Storms in US	Apr-11	2.0	3.5
Storms in US	Apr-11	1.5	2.2

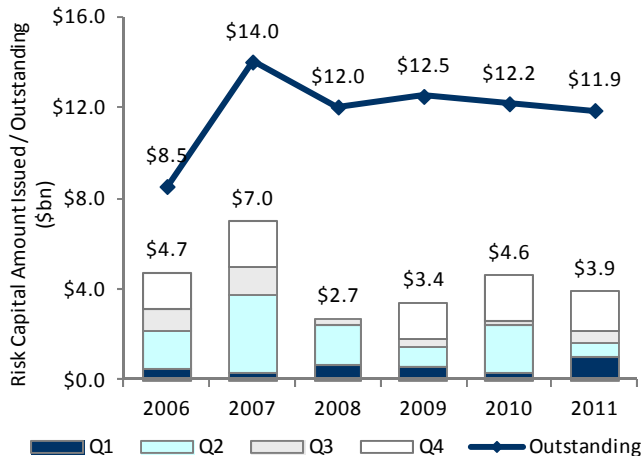
Reported 2011 Net Catastrophe Losses⁽¹⁾



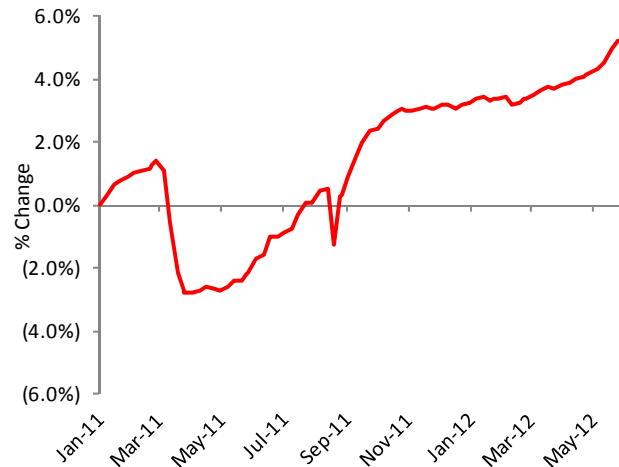
Cat Bonds

- After a sharp decrease in issuance in 2008 and muted issuance through 2011, the cat bond market appears to be picking up again in 2012
- While 2011 issuance of \$3.9 billion was 15% lower than 2010, and 44% lower than the peak in 2007, the first six weeks of 2012 saw \$800 million of issuance (almost double the \$440 million of issuance in the first two weeks of 2011)
- Brokers predict total 2012 issuance of \$5.0 billion to \$7.0 billion based off of the strong start to the year and greater certainty over cat bond pricing

Cat Bonds Issued and Outstanding



Swiss Re Cat Bond Index

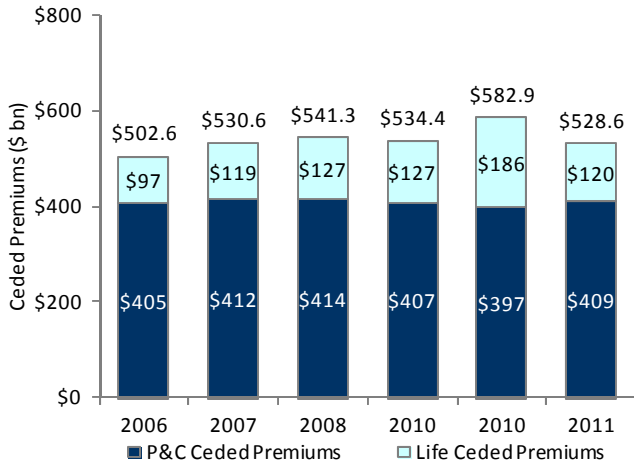


1) Top ten companies by 2011 net catastrophic losses (pre-tax)

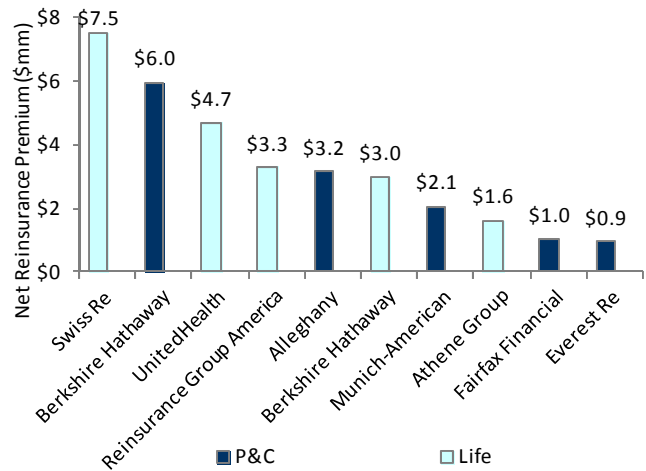
Reinsurance Overview

- Reinsurance rates are generally rising in 2012 as renewals take into consideration the cat events of 2011
- Ceded premiums decreased in 2011 by 9.3% from their high in 2010 to \$529 billion, but P&C ceded premiums increased 3.0% over that same time period
- Historically, there was a significant number of AAA rated reinsurance companies, but that trend is ending with only six companies currently maintaining a AA status, with Berkshire Hathaway remaining the top rated reinsurer at AA+

Annual Reinsurance Ceded Premiums



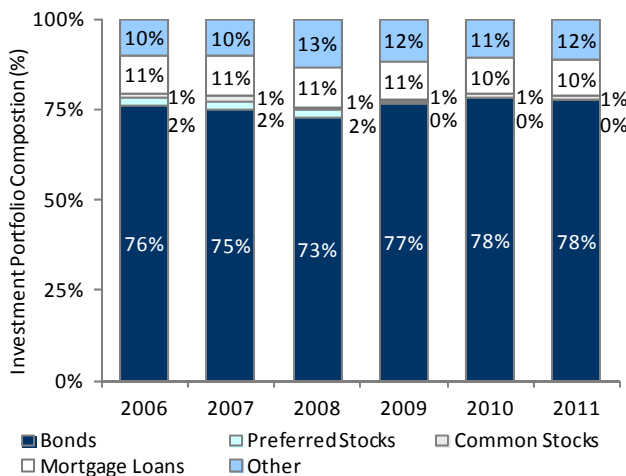
Top Five P&C and Life Reinsurers⁽¹⁾



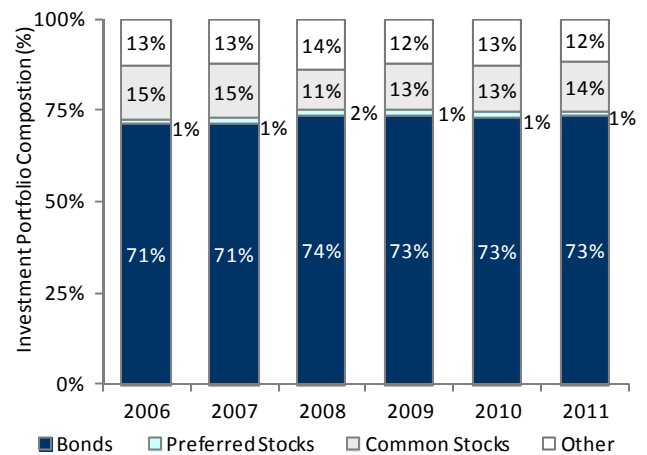
Investment Outlook

- With the 10-year treasury rate below 2.0%, and all indications pointing to low rates continuing through 2014, both P&C and life insurers continue to experience downward pressure on their net investment yields
- Low interest rates are especially troubling for life insurance companies which allocate larger proportions of their investment portfolios to higher yielding instruments and issue products with guaranteed returns

Life Investment Summary

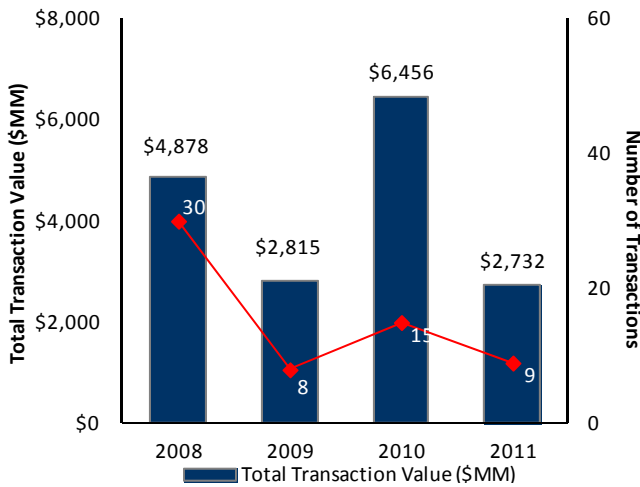


P&C Investment Summary

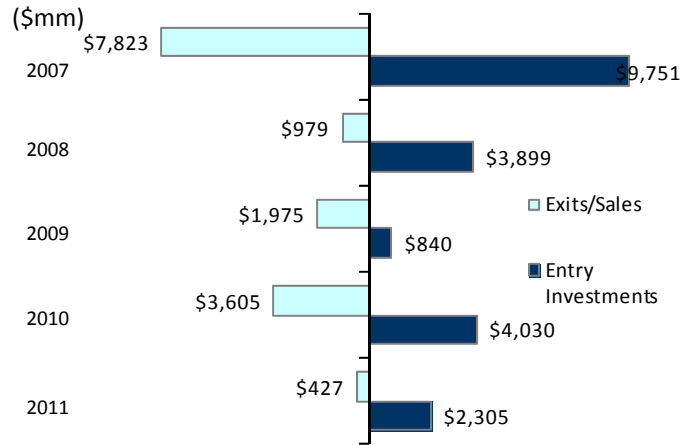


Private Equity Activity in Insurance

Private Equity Transactions in Insurance⁽¹⁾



Private Equity Insurance Entry vs. Exit Deals⁽¹⁾

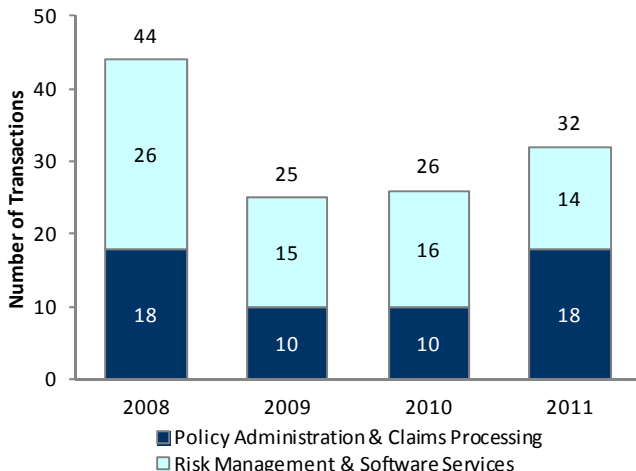


Selected Private Equity Transactions

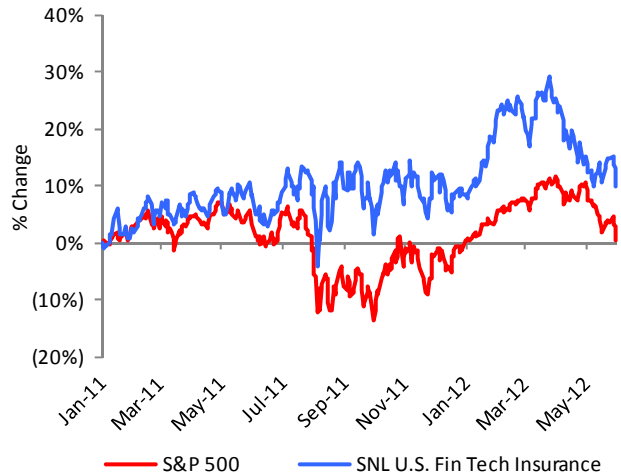
Announce Date	Private Equity Firm	Portfolio Company	Deal Value (\$mm)	Transaction Type
4/17/2012	Buyers: New Mountain Capital Sellers: Parthenon Capital	AmWINS Group	1,300	Equity Stake
2/15/2012	Vestar, Aquiline, New Mountain ⁽¹⁾	Validus Holdings	947	Buyback of Equity
11/24/2011	Cinven	AEGON UK	452	Equity Stake
1/9/2012	JMI Equity	ARROWHEAD General Insurance	400	Equity Stake
3/30/2012	JC Flowers & Co.	Fidea NV	335	Equity Stake

Insurance Servicing & Processing

Insurance Servicing and Processing Transactions



Insurance Servicing & Processing Stock Performance

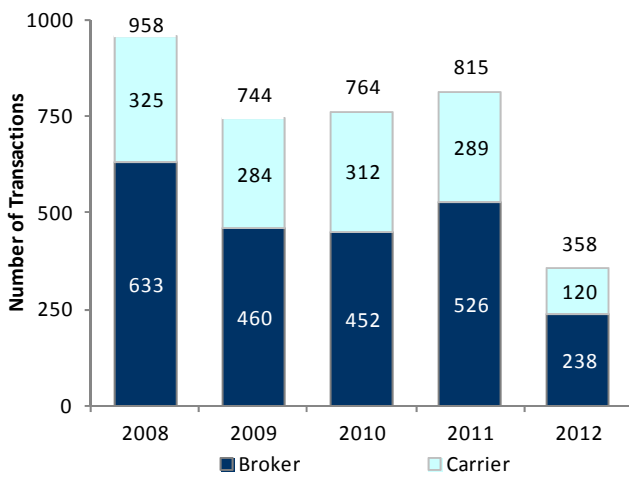


¹⁾ Includes only transactions that have closed

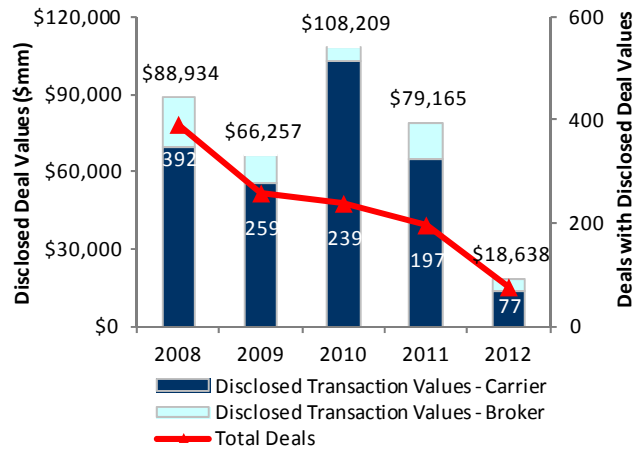
Insurance Carrier and Broker M&A Activity

- Overall insurance transaction activity has increased in the first five months of 2012, with annualized deal activity at 859, 5% above the 2011 level of 815
 - Carrier transactions stood even with their 2011 level while broker transactions stood 9% above their 2011 level (on an annualized basis)
- Carrier activity was boosted by an active reinsurance industry, with particular focus on the sale of Ariel Reinsurance to Goldman Sachs (no deal value was announced on the Ariel deal). Other notable reinsurance deals included the sale of Flagstone Reinsurance and CNA Financial's acquisition of Hardy Underwriting Bermuda
- Disclosed deal values on transactions where a carrier was the target were down 96% (on an annualized basis) off of their 2011 level of \$64bn
- The broker space slowed slightly, with disclosed deal values standing 22% below 2011 levels on an annualized basis
- The most acquisitive buyers of insurance brokers were Arthur J. Gallagher with eight transactions and Assured Partners with five transactions; Goldman Sachs also acquired two insurance brokers

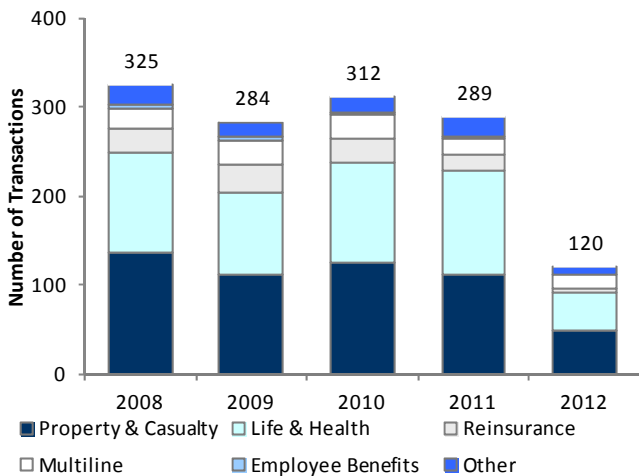
Total Number of Insurance Transactions⁽¹⁾



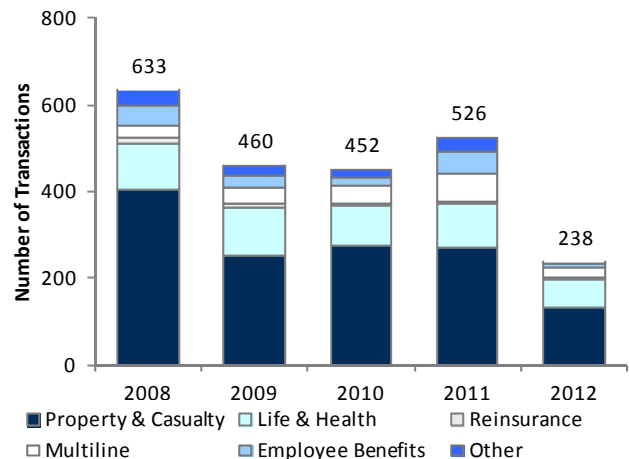
Transactions with Disclosed Deal Values⁽¹⁾



Insurance Carrier Transactions by Type⁽¹⁾

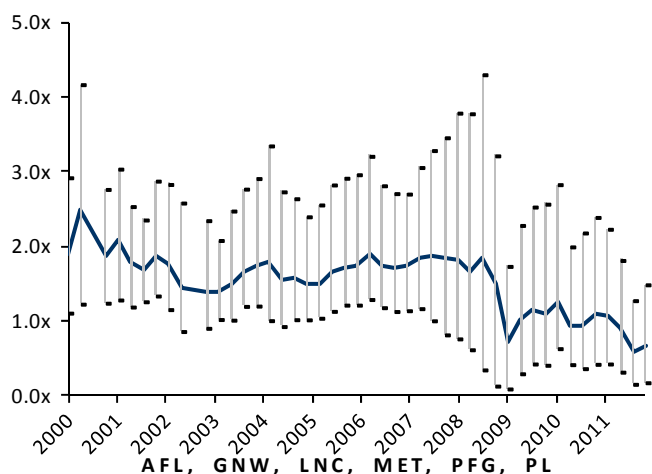


Insurance Broker Transactions by Type⁽¹⁾

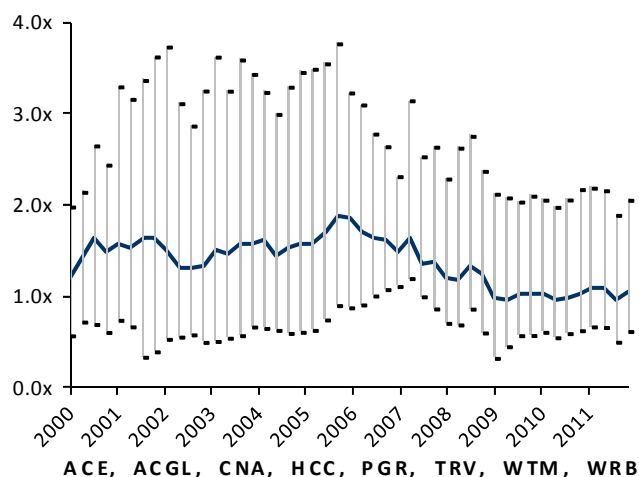


Insurance Company Valuation Spreads

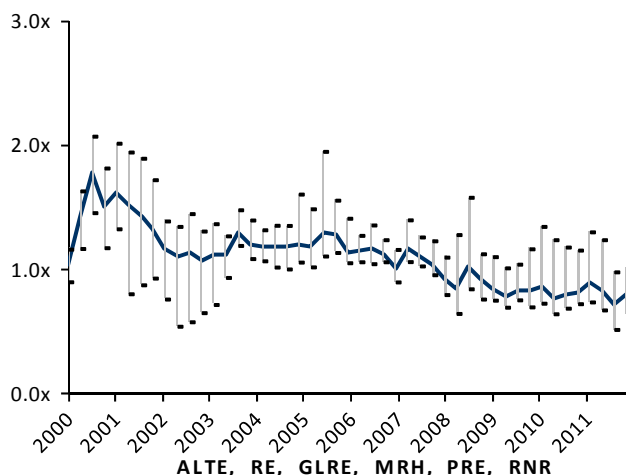
U.S. Life Insurers' Price/Book Multiples⁽¹⁾



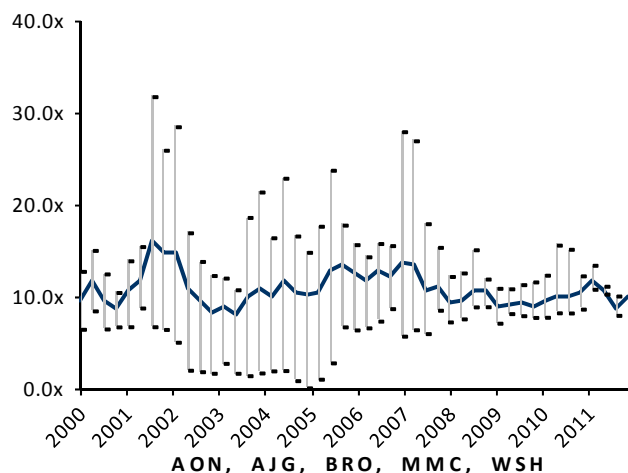
U.S. P&C Insurers' Price/Book Multiples⁽¹⁾



U.S. Reinsurers' Price/Book Multiples⁽¹⁾



U.S. Insurance Broker's TEV/EBITDA⁽¹⁾



Insurance Carrier and Broker Performance Statistics⁽²⁾

	Carriers			
	2008	2009	2010	2011
ROAA	(1.9%)	0.9%	1.6%	1.4%
ROAE	(12.9%)	6.4%	9.8%	8.8%
Investment Yield	0.2%	3.6%	4.5%	4.1%
Reserves / Equity	4.3x	3.2x	2.8x	2.9x
Operating Margin	4.0%	11.4%	13.8%	8.6%
Net Premiums Written/ Avg Equity	77.0%	74.0%	60.0%	61.0%
Debt/ Book	43.9%	34.0%	33.0%	30.2%

	Brokers			
	2008	2009	2010	2011
ROAA	3.6%	2.0%	4.0%	3.7%
ROAE	10.4%	6.1%	14.3%	12.4%
Operating Margin	10.6%	12.0%	14.0%	13.9%
Debt/ Book	32.1%	32.3%	34.7%	35.6%
Equity Growth	15.9%	(0.4%)	26.2%	(2.4%)

Insurance Company Public Comparables

P&C Insurance Company Multiples

Company Name	Market Data		3/31/2012			2012E			2013E		
	6/1/2012		Price / LTM			Price / Fwd			Price / Fwd		
	Stock Price	Market Cap	BV	Tang. BV	Dil. EPS	BV	Dil. EPS	ROE	BV	Dil. EPS	ROE
ACE Limited	\$70.22	\$23,783	0.94 x	1.19 x	10.4 x	0.89 x	9.1 x	10.4%	0.83 x	9.04 x	9.9%
Alleghany	\$323.90	\$5,483	0.95 x	0.98 x	20.2 x	NA	25.3 x	NA	NA	18.51 x	NA
Arch Capital Group Ltd.	\$37.61	\$5,094	1.17 x	1.18 x	12.6 x	1.06 x	12.8 x	9.3%	0.99 x	13.01 x	8.1%
CNA Financial Corporation	\$27.60	\$7,434	0.62 x	0.63 x	11.6 x	0.61 x	9.3 x	6.9%	0.57 x	9.10 x	7.1%
Fairfax	\$400.12	\$8,568	1.13 x	1.35 x	NA	1.04 x	25.2 x	4.2%	0.99 x	12.89 x	7.8%
Hanover	\$38.01	\$1,712	0.66 x	0.71 x	29.9 x	0.65 x	9.4 x	7.2%	0.61 x	8.91 x	7.3%
HCC Insurance Holdings, Inc.	\$30.94	\$3,131	0.96 x	1.31 x	11.5 x	0.90 x	10.3 x	9.3%	0.84 x	9.72 x	9.1%
Old Republic	\$9.63	\$2,499	0.66 x	NA	NA	0.57 x	48.2 x	9.1%	0.54 x	6.40 x	12.5%
Progressive Corporation	\$21.27	\$12,999	2.08 x	2.08 x	14.6 x	2.00 x	14.9 x	14.9%	1.86 x	13.18 x	15.0%
Travelers Companies, Inc.	\$60.58	\$23,568	0.95 x	1.12 x	17.6 x	0.92 x	9.5 x	10.1%	0.87 x	9.69 x	9.2%
W.R. Berkley Corporation	\$37.99	\$5,255	1.27 x	1.30 x	13.3 x	1.21 x	14.5 x	9.3%	1.14 x	14.09 x	8.4%
Average			1.04 x	1.18 x	15.7 x	0.98 x	17.1 x	9.1%	0.92 x	11.3 x	9.4%
Median			0.95 x	1.19 x	13.3 x	0.91 x	12.8 x	9.3%	0.85 x	9.7 x	8.7%

Life Insurance Company Multiples

Company Name	Market Data		3/31/2012			2012E			2013E		
	6/1/2012		Price / LTM			Price / Fwd			Price / Fwd		
	Stock Price	Market Cap	BV	Tang. BV	Dil. EPS	BV	Dil. EPS	ROE	BV	Dil. EPS	ROE
Aflac Incorporated	\$38.65	\$18,074	1.32 x	1.32 x	7.68 x	1.29 x	5.91 x	23.3%	1.13 x	5.62 x	21.1%
Aviva Plc	£2.55	£7,449	0.59 x	0.93 x	NA	0.57 x	4.95 x	12.6%	0.53 x	4.51 x	12.7%
AXA	€ 8.80	€ 20,732	0.49 x	1.03 x	5.03 x	0.45 x	4.81 x	9.6%	0.43 x	4.40 x	10.0%
CNO Financial	\$6.40	\$1,531	0.33 x	NA	4.78 x	0.37 x	9.41 x	4.7%	0.34 x	8.11 x	5.1%
Genworth Financial, Inc.	\$5.13	\$2,521	0.17 x	0.20 x	30.18 x	0.17 x	6.11 x	3.1%	0.16 x	3.51 x	5.1%
Humana	\$75.90	\$12,385	1.50 x	2.48 x	9.41 x	1.40 x	9.56 x	14.9%	1.25 x	8.70 x	15.0%
Lincoln National Corporation	\$19.40	\$5,537	0.42 x	0.50 x	35.27 x	0.41 x	4.72 x	10.0%	0.37 x	4.34 x	10.0%
MetLife, Inc.	\$27.83	\$29,556	0.52 x	0.66 x	5.19 x	0.53 x	5.31 x	10.6%	0.48 x	4.93 x	10.8%
Principal Financial Group, Inc.	\$23.30	\$6,993	0.80 x	0.94 x	10.59 x	0.77 x	7.57 x	10.8%	0.71 x	6.63 x	11.7%
Protective Life Corporation	\$25.20	\$2,041	0.54 x	0.56 x	5.82 x	0.59 x	6.70 x	0.10 x	0.55 x	6.66 x	9.4%
Prudential Financial, Inc.	\$44.74	\$21,117	0.60 x	0.58 x	11.44 x	0.65 x	6.84 x	10.5%	0.60 x	5.77 x	11.8%
Average			0.66 x	0.92 x	12.5 x	0.65 x	6.5 x	10.9%	0.60 x	5.7 x	11.1%
Median			0.54 x	0.80 x	8.5 x	0.57 x	6.1 x	10.5%	0.53 x	5.6 x	10.8%

Reinsurance Company Multiples

Company Name	Market Data		3/31/2012			2012E			2013E		
	6/1/2012		Price / LTM			Price / Fwd			Price / Fwd		
	Stock Price	Market Cap	BV	Tang. BV	Dil. EPS	BV	Dil. EPS	ROE	BV	Dil. EPS	ROE
Alterra Capital Holdings Limited	\$21.93	\$2,204	0.77 x	0.79 x	12.0 x	0.75 x	9.51 x	8.3%	0.70 x	9.49 x	7.0%
Everest Re Group, Ltd.	\$101.26	\$5,341	0.84 x	0.84 x	10.1 x	0.79 x	7.33 x	12.0%	0.72 x	7.62 x	10.5%
Greenlight Capital Re, Ltd.	\$24.53	\$899	1.03 x	NA	8.0 x	1.04 x	6.39 x	NA	0.77 x	5.33 x	NA
Montpelier Re Holdings Ltd.	\$20.43	\$1,183	0.82 x	NA	14.6 x	0.78 x	6.84 x	12.6%	0.71 x	8.38 x	9.2%
PartnerRe Ltd.	\$71.53	\$4,617	0.79 x	0.88 x	8.1 x	0.76 x	8.54 x	9.3%	0.72 x	9.61 x	7.8%
RenaissanceRe Holdings Ltd.	\$75.90	\$3,929	1.21 x	1.21 x	11.0 x	1.13 x	8.23 x	14.1%	1.02 x	8.09 x	12.9%
Average			0.91 x	0.93 x	10.6 x	0.87 x	7.8 x	11.3%	0.77 x	8.1 x	9.5%
Median			0.83 x	0.86 x	10.6 x	0.78 x	7.8 x	12.0%	0.72 x	8.2 x	9.2%

Notes: LTM financials are adjusted for extraordinary and non-recurring items. In cases where a company has a pre-tax loss, GAAP net income is shown without adjustments. Bloomberg data is used for all data.

Select Freeman & Co. Insurance and Mortality-Linked Transactions

\$500,000,000

The Life Settlements Portfolio of

SageCrest LLC

has been sold to a fund managed by

Undisclosed Private Equity Firm

Financial advisor to SageCrest LLC
April 2011

Freeman & Co. Securities LLC

\$344,499,000

The Life Settlements Portfolio of

Large Undisclosed Bank

has been sold to an affiliate of


Global Investment Bank

Financial advisor to Large Bank
June 2011

Freeman & Co. Securities LLC

\$1,738,551,000

The Life Settlements and Premium Finance Portfolio of



Has been acquired at auction

The undersigned acted as financial advisor to KBC Financial Products
April 28, 2010

Freeman & Co. Securities LLC

\$840,000,000

The Reverse Mortgage Portfolio of



has been acquired by an undisclosed

Investment Bank

Financial advisor to KBC Group Products
February 2010

Freeman & Co. Securities LLC

700,000 policies administered
\$30 billion AUM



led investor group has acquired



Financial advisor to Security Benefit Corporation, parent of se²
July 2010

Freeman & Co. Securities LLC

\$400 million investment



led investor group has acquired



Financial advisor to Security Benefit
July 2010

Freeman & Co. Securities LLC

\$30,000,000




has completed a combined \$30,000,000 senior debt and reinsurance transaction with




Financial advisor to Ullico, Inc.
December 2008

Freeman & Co. Securities LLC



has acquired



Financial advisor to KBC Financial Products
June 9, 2007

Freeman & Co. Securities LLC

Other Recent Freeman & Co. Transactions

\$7 billion AUM



A GUGGENHEIM PARTNERS COMPANY

a wholly owned subsidiary of



has been sold to



Financial advisor to Guggenheim Partners and Claymore Investments
Pending

Freeman & Co. Securities LLC




has been acquired by




Financial advisor to Pagemill Partners
Announced December 2011

Freeman & Co. Securities LLC



has been acquired by



Financial advisor to Peachtree Settlement Funding
July 2011

Freeman & Co. Securities LLC

The Institutional Sales & Trading Business of




has been acquired by




Financial advisor to Braver Stern Securities LLC
June 2011

Freeman & Co. Securities LLC

\$2 billion AUM



has been acquired by



Financial advisor to AlTEGRIS Investments
December 2010

Freeman & Co. Securities LLC




has raised \$225,000,000 from



Financial advisor to CRT Capital Group, LLC
August 2010

Freeman & Co. Securities LLC



has obtained \$75,000,000 of structured settlement warehouse financing from an undisclosed

Hedge Fund

Financial advisor to Peach Holdings
July 2010

Freeman & Co. Securities LLC

\$210,000,000



Senior Debt Restructuring

Financial advisor to the Creditor Committee
2009-2010

Freeman & Co. Securities LLC

Other Recent Publications by Freeman & Co.

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- *The Year that Wasn't (December 2011)*
- *Slowly but Surely Coming Back (April 2011)*
- *Slogging Through the Mud (September 2010)*

Financial Technology Focus

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- *Convergence: Servicing the Trader, PM and Back Office (April 2011)*
- *Out of the Frying Pan and into Regulatory Reform (September 2010)*

Insurance Focus

- *Where Do we Go From Here? (January 2012)*
- *The Marriage of the Decade (July 2011)*
- *Is A Terrorist Lurking in Your Investment Portfolio? (January 2011)*
- *Damned if You Don't (January 2011)*
- *To Arms, To Arms: The Regulators are Coming! (July 2010)*
- *Back from the Brink (January 2010)*

Private Equity Focus

- *Another New Normal (September 2011)*
- *Show Me the Money (September 2010)*
- *Waiting for the Turn (September 2009)*

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- *Post-Crisis: A Rapidly Changing Environment (October 2011)*
- *Filling the Void in the Middle Market (January 2011)*
- *Focus Shifts from Survival Mode to Strategic Mode (October 2009)*

Specialty Finance

- *Special Education (March 2011)*

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