



# CONNING *Key Facts*

DECEMBER 31, 2011

## A Leading Global Insurance Asset Manager

Founded in 1912, Conning is headquartered in Hartford and has a global presence, with additional offices in New York, London, Dublin, Cologne and Hong Kong. Worldwide, Conning serves more than 300 investment and research clients.

Our unique combination of asset management, strategic advisory and insurance research allows us to implement customized business and investment strategies that help our clients achieve their financial goals.

For more than 25 years, we have built our asset management business to meet the investment and financial needs of insurers. Our professionals have worked in the insurance industry for most of their careers and are experienced with insurance issues. We thoroughly understand the interaction between risk tolerances, investment objectives and investment limitations. Our philosophy recognizes that our clients' portfolios have a purpose beyond the immediate challenge of producing investment returns; they exist to support insurance businesses.

### Asset & Account Information at 12-31-11

ASSETS BY CLIENT TYPE (\$MNS)	ASSETS	# CLIENTS*
Property-Casualty	45,170	87
Life	35,862	24
Healthcare	2,936	11
Pension	2,936	17
Other	318	7
<b>Total AUM</b>	<b>87,222</b>	<b>146*</b>

CLIENT MANDATE (\$MNS)	ASSETS	# CLIENTS
0-100 mn	1,856	34
100-500 mn	13,778	59
500 mn - 1 bn	11,132	14
1 bn +	60,456	19
<b>Total AUM</b>	<b>87,222</b>	<b>126</b>

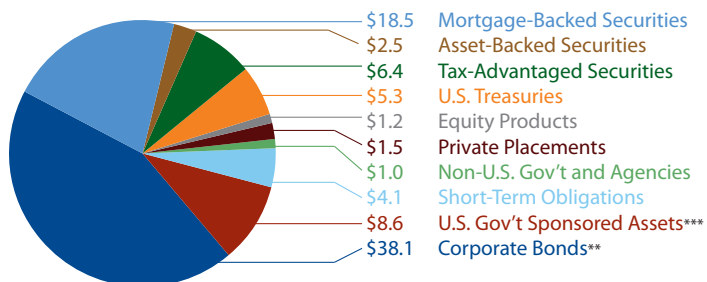
INVESTMENT TEAM	NO.	AVG. YRS. EXP.
Portfolio Managers	26	21
Analysts	32	17
Traders	6	23

ASSETS BY REGION (\$MNS)	\$MNS
North America	77,662
United Kingdom	3,475
Bermuda	1,257
Continental Europe	1,000
APAC	3,593
Other	235
<b>Total AUM</b>	<b>87,222</b>

NON U.S. DOLLAR AUM	\$MNS
Brit Pound Sterling	710
Euro	1,030
Canadian Dollar	819
Australian Dollar	79
Other	31
<b>Total</b>	<b>2,669</b>

\*A number of our clients rely on Conning to manage multiple lines of their business in multiple locations. For this reason, a client may be listed in more than one "Client Type" and a client's assets may be divided between geographic "Regions."

### Breakdown of Managed Assets at 12-31-11\*



\* Includes Conning's U.S. and Dublin Investment Centers and Goodwin Capital Advisers  
 \*\* Includes Convertible and High Yield Securities  
 \*\*\* Includes Agencies, Taxable Municipals and Government related assets

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## Asset Management Contact: Rob Miller: +1 860.299.2369 or robert.miller@conning.com

**Our Philosophy:** Our clients’ portfolios exist to support their insurance businesses, providing cash flow for claims and benefits, and income for contract guarantees and general earnings. Portfolio assets stand behind a company’s surplus and financial strength. Recognizing this, we work closely with our clients to create an appropriate investment structure that realizes the client’s goals for total return, income and cash flow, while staying within the client’s risk tolerance. We seek to increase yields within the context of what is prudent given the client’s liabilities, capital structure and appetite for risk.

**Integrated ALM Approach:** We develop a thorough understanding of the client’s overall business; their liabilities, operating parameters, limitations and investment objectives. We employ sophisticated financial modeling tools and techniques to develop a unique strategic asset allocation (SAA) for each client. This serves as the long-term investment blueprint.

We next develop a custom, insurance-specific benchmark to reflect the SAA by selecting appropriately weighted subcomponents of a broad market index. We consider duration and maturity structure, the required spread targets of the fixed income portfolio, as well as allocation to equities and the company’s liquidity requirements.

When the client’s SAA and investment benchmark are in place, the final step is to employ a disciplined investment process to make tactical allocations within the capital markets.

### Publicly Traded Investment Grade Securities

- U.S. Treasury/U.S. Agency bonds
- Treasury Inflation-Protected Securities (TIPS)
- U.S. Corporate bonds
- Mortgage Backed securities
- Commercial Mortgage Backed securities
- Asset Backed securities
- Municipal securities (Taxable and Tax-exempt)
- Foreign Government/Provincial/Corporate bonds
- Structured Products

### Non-USD Investment Grade Securities

- Government bonds
- Agency bonds
- Covered bonds
- Inflation-linked bonds
- Investment Grade Corporate bonds

### Equity

- High Dividend Income Equity strategy
- Index Replication approach
- Exchange-Traded Funds (ETF) approach

### Specialty Asset Classes

- High Yield bonds
- Private Placement bonds
- Convertible bonds

### Alternative Investments\*

- Private Equity

\*Alternative Investments are offered through Conning Investment Products, Inc., a FINRA registered broker-dealer.

## Risk & Capital Management Solutions Contact: Rob Miller: +1 860.299.2369 or robert.miller@conning.com

Conning’s Advisory professionals seek to help life, health and property-casualty companies increase their risk-adjusted return on capital. Our team has a wide range of risk and capital management solutions at its disposal to provide a competitive advantage to any insurance company with multiple business lines, reinsurance activities, rapidly changing business portfolios or significant premium volumes.

Our proprietary modelling software products, GEMS®, ADVISE® and AFFIRM™, are used in our integrated asset management service and also are available for license to insurers and other financial organizations. GEMS, our state-of-the art economic scenario generator, incorporates real world and risk-neutral scenarios through our quarterly GEMS Service and customized parameterizations. It includes hard-to-model asset classes and allows for hedging strategies and derivatives. Our ADVISE dynamic financial analysis software is an enterprise risk management system that is integral to our clients’ risk management programs and allows them to meet regulatory and rating agency requirements. These systems are supplemented by AFFIRM, our deterministic “what-if” model.

### Investment Advisory

- Strategic Asset Allocation
- Asset Liability Management
- Customized Benchmarks
- Investment Policy and Guidelines
- Portfolio Reviews
- Peer Analysis

### Enterprise Risk Management

- Risk & Opportunity Financial Impact Assessment
- Capital Management
- Solvency II
- Business Planning

### Software & Services

- ADVISE
- GEMS and GEMS Services
- Implementation Services
- AFFIRM

## Insurance Research Contact: Mike Warner: +1 860.299.2408 or mike.warner@conning.com

**Insurance Segment Series** are semi-annual business landscape and performance reports for 30 separate lines of business or industry segments, analyzing the most current information on:

- Competitive Landscape
- Insurer Opportunities and Threats
- Business Environment
- Industry Financials
- Market Drivers and Stakeholders
- Key Writers by State

**Strategic Study Series** reports on significant market opportunities/trends affecting the industry, making this series indispensable reading for senior insurance industry executives.

**Forecast & Analysis Series** is published for the Property-Casualty, Life-Annuity and Health industries. Conning analyzes performance drivers and projects key performance metrics, and income statement and balance sheet accounts. Widely used by finance and planning executives, the Forecast & Analysis Series includes both historical and projected results.

### Proprietary Research Examples

- State level line-of-business reporting and premium forecasts
- Business expansion planning
- Detailed industry line-of-business and regional landscape reviews
- Competitive intelligence scans
- Executive level insurance industry surveys and reporting
- Executive and board level presentations on industry trends and forecast