

FOR IMMEDIATE RELEASE**LEADENHALL CAPITAL PARTNERS GROWS AUM TO PASS THE US\$5.5BN MARK AND MSI ACQUIRES 80% INTEREST IN THE PARTNERSHIP FROM MS AMLIN TO SUPPORT GROWTH****London – 7th February 2019**

Leadenhall Capital Partners ('Leadenhall' or 'LCP'), a leading investment manager in reinsurance-linked securities, has continued along its growth pattern over 2018. Assets under management have increased to over USD5.5bn as at 1st January 2019, up from USD4.7bn on 1st January 2018, and USD5.2bn on 1st June 2018. Of the total AUM, about USD3bn is in non-life insurance linked investments (up from USD2.8bn as of January 2018) and about USD2.5bn is in life and alternative credit investments (up from USD1.9bn as of January 2018).

Leadenhall's growth in AUM has been based on new initiatives such as the launch of 2 new Open Ended Funds and a managed account in the Non-Life Insurance linked business and 1 new Closed Ended Fund focused on the life insurance linked business. Existing funds have been also growing with an emphasis on mid to remote layers of non-life insurance linked risk and life insurance linked risk.

Lorenzo Volpi, Leadenhall's Head of Business Development says: "Insurance linked investments is now a mature asset class, with maintained strong appetite from traditional alternative investors targeting higher risks and returns with greater potential to benefit from premium increases for riskier layers at the June renewals, but also attracting a traditional and fixed income investor base looking at lower risk and return profiles, which have been less affected by the recent loss events".

Our ultimate parent company, the MS&AD Group, recently announced that its mainly non-life business, Mitsui Sumitomo Insurance, ("MSI") has acquired an 80% interest in Leadenhall from MS Amlin Corporate Services Limited. The rationale for this change has two main drivers.

Firstly this is a logical business reorganization within a large group like MS&AD which has both insurance and asset management interests: MS Amlin is an insurance and reinsurance company focused on non-life insurance and operates within the International division of MSI. Leadenhall is an asset management company, with Non-Life insurance linked strategies, but with also substantial investments in life and alternative credit, and naturally sits within **MSI's Financial Services Division, which is also responsible for other substantial asset management interests**. MSI is to have a 15% shareholding in Sumitomo Mitsui DS Asset Management Company from April 2019 when the merger takes effect between Sumitomo Mitsui Asset Management and Daiwa SB Investments (see press release: https://www.ms-ins.com/english/news/fy2018/pdf/0928_1.pdf). The

combined entities will be a leading asset management distribution arm in the Japanese market and MSI will hold a 15% shareholding in an entity with JPY20 trillion of assets under management. MSI's Financial Services Division can further support Leadenhall's AUM growth with its contacts with institutional investors, alternative asset managers and fixed income investors interested in non-life, life and alternative credit insurance linked investments, particularly in Japan

John Wells, Leadenhall's Chairman says: "Japan represents an important share of the overall investments in the ILS sector and with the support of our parent we are well positioned to enhance our market penetration in the area"

In addition Leadenhall has recently started an exclusive relationship with Masaaki Katsuyama (Teneo Partners) to support its business development in Japan. Katsuyama-san previously worked with Leadenhall's Chairman and CEO at Swiss Re and more recently at Guy Carpenter and is recognized as one of the most experienced practitioners in the ILS sector in Japan.

Apart from the important business development aspects, Leadenhall's cooperation with the Financial Services Division is expected to extend to seeding new fund initiatives, designing alternative risk transfer products for clients in Japan and overseas, look at areas of cooperation in the life and alternative credit space and last but not least will further support Leadenhall's governance structure by adding a member to Leadenhall's Management Board with experience of other investments and asset management activities within the Group.

Luca Albertini, Leadenhall's CEO says: "These changes are about supporting the development of Leadenhall's aspirations to grow, to diversify its investor base, to enrich its offerings but is also about bringing more resources to support and strengthen our current relationship with MS Amlin and its Reinsurance Business Unit in particular".

Leadenhall has an underwriting team independent from MS Amlin and a rewards system and governance structure in place to ensure that such independence is protected and maintained. Over the last 10 years the mutual cooperation between Leadenhall and MS Amlin has provided substantial mutual benefits which we are highly confident will continue. Investment limits transacted in cooperation with MS Amlin were about USD360m in 2014 when MS Amlin took its partnership interest in Leadenhall to 75%. That business grew with Leadenhall's AUM to USD520m in 2015, USD714m in 2016, USD1.1bn in 2017 and USD1.5bn in 2018. Should Leadenhall be successful in achieving further growth we fully expect the cooperation with MS Amlin to grow as well and benefit all parties. Recent M&A in the ILS sector supports our view that investing in private placements of insurance linked investments by ILS managers is best served with the complement of a reliable partner with a traditional balance sheet, who has an alignment of interest with the success of the investment operations.

MS Amlin's strong relationship with Leadenhall remains intact and is represented in Leadenhall's Board at the highest level with James Illingworth (MS Amlin Group CUO), having served in the board for the last 10 years.

James Illingworth, MS Amlin Group CUO says: "A closer cooperation of MSI, MS Amlin and Leadenhall will bring tangible benefits to all and support an enhanced range of offering to Leadenhall's investors, which has been and will continue to be a source of competitive advantage to MS Amlin and its clients"

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