

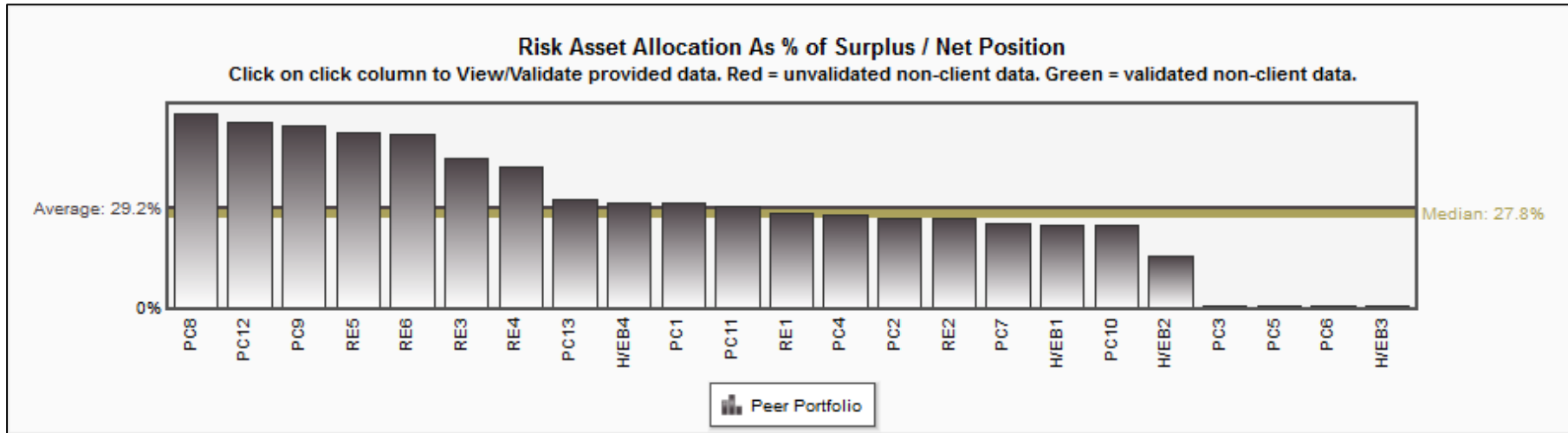


# SAA's Pool Peer Database: Sample Peer Group (2017)



**STRATEGIC ASSET ALLIANCE**  
15 YEARS OF PARTNERING WITH GOVERNMENTAL RISK POOLS

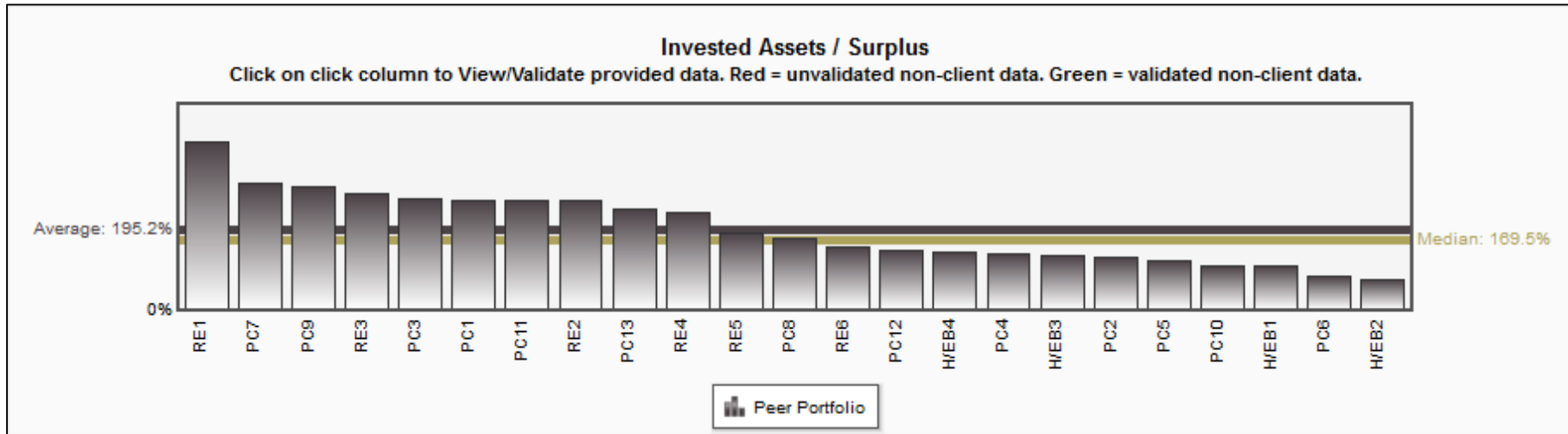
# Risk Asset Allocation (as a % of Surplus)



- *Risk Assets divided by Surplus.*
- Broadly indicates your company's allocation to "risk assets" relative to your peers. Risk assets include high yield bonds, bank loans, real estate, common stock, preferred stock, and equity funds. An increase in your risk allocation should be yielding an appropriate increase in return. If your company is depicted as relatively lower, it is important to consider if any added benefits could be gained from your portfolio adjusted for risk. For pools that are restricted from holding risk assets, additional options may include forming a captive pursuant to applicable laws.



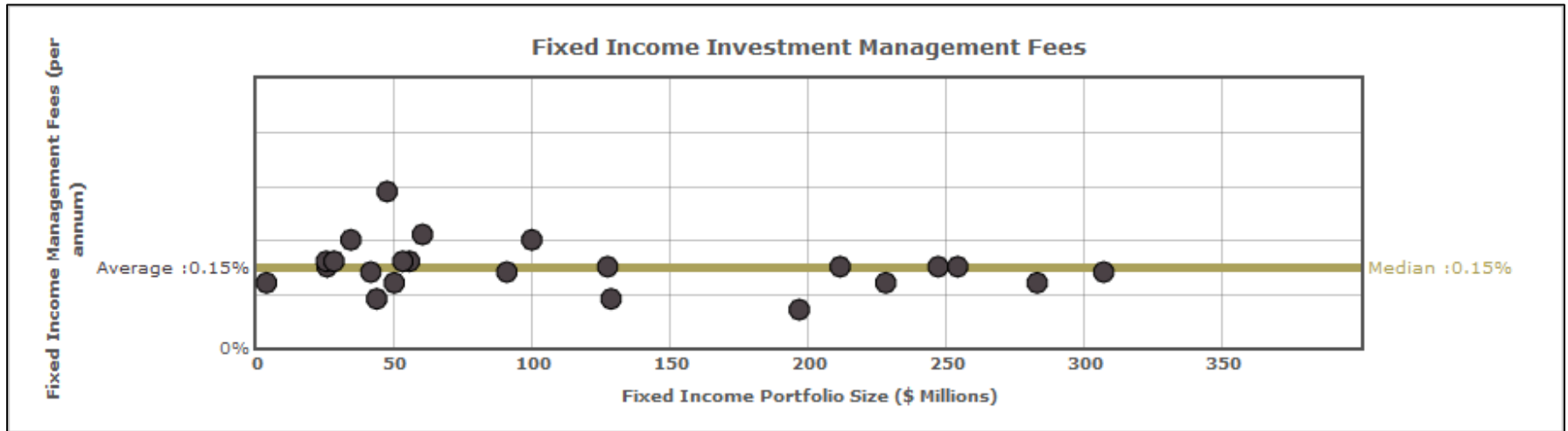
# Invested Assets / Surplus



- *Invested Assets divided by Surplus.*
- This metric exhibits the investment leverage across each entity. Investment risk is only one component of an entity's overall risk profile, and should be considered alongside operational risk, underwriting risk, and reinsurance/reserving risk. How much surplus does your pool need to meet its members' needs, to manage the risk exposures it's comfortable taking, and to maintain a cushion for contingencies?



# Fixed Income Investment Management Fees



- *Average annual fee of core fixed income managed assets per entity.*
- How does your average annual fee compare? A fee level does not determine a manager's effective capabilities, however, there has been increased downward pressure on manager fees across the industry.

