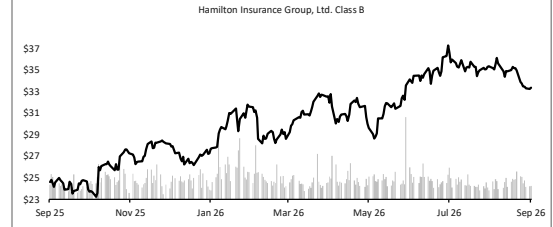


WISCONSIN VALUE FUND LENS — Maximize return by buying improving companies at reasonable valuations.

Performance level — ROIC (FY2026E) vs. ke	27.9% vs 6.6% → Above ke
Change in performance — Δ ROIC	+0.0 pts, FY2026E vs FY2025A → Flat
Lifecycle phase	Phase IV — high expectations, ROIC flat
Valuation gap — target vs. price	+28.9% → Price below our value



BUSINESS DESCRIPTION

Hamilton Insurance Group Ltd. is a holding company, which provides insurance and reinsurance services. It operates through the International and Bermuda segments. The International segment comprises of property, specialty, and casualty insurance and reinsurance classes of business originating from the company's London, Dublin, and Hamilton Select operations. The Bermuda segment offers property, specialty, and casualty insurance and reinsurance classes of business originating from Hamilton Re, Bermuda and Hamilton Re US and subsidiaries. The company was founded in 2013 and is headquartered in Hamilton, Bermuda.

INVESTMENT THESIS

Hamilton is a Bermuda specialty (re)insurer compounding book value at a mid- to high-teens ROE, yet it trades at 1.2x book, in line with slower-growing peers. The market still prices HG as a property-casualty reinsurer tied to a volatile Two Sigma fund, but growth is shifting to specialty and casualty, and Hamilton Select's AM Best upgrade to A widens its US broker reach. Low-double-digit premium growth at a low- to mid-90s combined ratio, plus buybacks, should close the gap to our \$43 target.

MARKET SNAPSHOT

Current Price	\$33.35	Market Cap (\$B)	\$3.3	Beta	0.39
52-Week Range	\$23 – \$37	Inst. Ownership	43.5%	Insider Own.	16.7%
Shares Out. (mm)	99.0	Short Interest (% float)	2.1%	Dividend Yield	0.0%
Consensus L-T Growth	n/a	Payout Ratio	0.0%	Cost of Equity	6.6%
Price Target	\$43.00	Upside to Target	28.9%	Value Range	\$45 – \$94

VALUATION SUMMARY — equity DCF, FCFE discounted at k_E

Method	Value / Share	Upside	Terminal Assumption
Equity DCF – terminal P/E	\$44.58	33.7%	7.1x P/E
Equity DCF – terminal P/S	\$48.01	44.0%	1.1x P/S
Equity DCF – terminal P/B	\$53.19	59.5%	1.2x P/B
Equity DCF – constant growth	\$94.36	182.9%	2.0% g, 6.6% ke
Average of methods	\$60.03	80.0%	Equal-weighted
Analyst price target	\$43.00	28.9%	P/B override: 1.2x 2027E book

PHILOSOPHY FIT — Five pillars · Score: 5 / 5

1. Fundamental improvement & valuation discipline	ΔROIC +0.0 pts; price is 0.56x our average value	Yes
2. Investing through company cycles	Phase IV; EBIT margin 30.8% → 30.8%	Yes
3. Initial position sizing & risk limits	Start at 2% of the fund, cap at 4%; review below \$26	Yes
4. Capital allocation discipline	Net debt/invested capital -24.0%; net debt/EBIT -1.2x	Yes
5. Identifiable catalysts & conservative underwriting	Select growth, 2H26 reserve reviews; net cash limits downside	Yes

VALUE CRITERIA — 10-Point Checklist · Score: 7 / 10

1. Catalyst / Investment Drivers	Yes
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Driver 1 — Hamilton Select build-out	Management calls the US E&S platform the "third stool" of the company. AM Best upgraded Select to A from A- in May, which opens business with brokers that require an A rating, and new classes (property launched in April, life sciences next) add growth in small and midsize risks where pricing is holding up.
Driver 2 — Specialty and casualty mix	2Q26 gross premiums written grew 21.8% in International and 11.9% in Bermuda. Specialty rose 31% and 30% and casualty rose 25% and 29% in the two segments, while International property fell 4%. The mix is moving away from property cat, the most competitive part of the market.
Driver 3 — Investment income	The Two Sigma Hamilton Fund (about 39% of investments) returned 5.1% in 2Q26, or \$115 million, against a 10% annual target. The fixed income yield to maturity rose to 4.7% from 4.1% at year-end 2025, with new money at 4.6%. Investment income supports ROE while underwriting margins normalize.
What does management say?	Guidance unchanged after 2Q26: attritional loss ratios of 55% for the group, 54.5% in International and 56% in Bermuda; a low- to mid-90s combined ratio and low-double-digit premium growth across the cycle. Property pricing should stay under pressure. Reserving stays quick to react to adverse development and slow to release.

2. Low P/E Ratio	No
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	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
EPS (model)	\$2.35	\$3.95	\$5.82	\$4.97	\$5.03	\$5.87
P/E at current price	14.2x	8.5x	5.7x	6.7x	6.6x	5.7x
Comp median P/E (FactSet, subject incl.)	6.3x	FY2026E P/E vs. peer median		+7%		

3. Low Price / Cash Flow	No
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FCFE / share	-\$4.97	\$3.06	\$1.23	-\$0.09	\$2.19	\$1.84
Price / FCFE	NM	10.9x	27.1x	NM	15.2x	18.2x
Comp median P/CF (FactSet, subject incl.)	4.7x	Price / FCFE (today) vs. peer median		+472%		

4. Low Price / Book Value	Yes
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	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
Book value / share	\$18.58	\$22.95	\$28.50	\$33.48	\$38.52	\$44.72
Price / Book	1.8x	1.5x	1.2x	1.0x	0.9x	0.7x
ROE (EOY book)	12.6%	17.2%	20.4%	14.9%	13.1%	13.1%
Comp median P/B (FactSet, subject incl.)	1.2x	Price / book (today) vs. peer median		(2%)		

5. Financial Soundness							Yes
	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	
Total debt (\$mm)	150	150	150	193	215	244	
Net debt (\$mm)	-751	-951	-1,022	-1,272	-1,544	-1,810	
Total debt / equity (gross)	7.3%	6.4%	5.3%	5.8%	6.0%	6.2%	
Total debt / assets (gross)	2.8%	2.3%	1.8%	2.0%	2.0%	2.1%	
Net debt / invested capital	-25.3%	-27.4%	-24.0%	-24.9%	-27.3%	-28.6%	
Net debt / EBIT	-2.7x	-1.5x	-1.2x	-1.3x	-1.4x	-1.5x	
Net cash; 2Q26 reserve charge was 0.5%							
Tax rate	-1.8%	Book equity (\$mm)	2,822 of net reserves				
6. Positive Earnings Dynamics							No
	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	
Sales growth	4.3%	57.7%	19.7%	17.8%	7.5%	9.3%	
EBIT margin	19.0%	28.1%	30.8%	30.8%	30.8%	30.8%	
EPS growth	(363.4%)	68.1%	47.6%	(14.6%)	1.1%	16.7%	
7. Business Strategy & Segment Mix							Yes
Strategy	Three underwriting platforms (Hamilton Global Specialty, Hamilton Re and Hamilton Select) grow specialty and casualty while holding back in property, with outwards protection that includes a new casualty sidcar.						
	Two segments: International (Lloyd's, Ireland and Hamilton Select in the US) and Bermuda (Hamilton Re). Investments are about 39% Two Sigma fund, the rest fixed income.						
Segment / geography mix							
8. Capable Management & Insider Ownership							Yes
Insider ownership	16.7%	Inst. ownership	43.5%	Buybacks, % of NOPAT (FY1E)	(0.9%)		
Insider activity / governance	Insiders own 16.7%; the Board extended CEO Pina Albo's term through year-end 2029; \$137 million of buyback authorization remains.						
9. Valuation — Value Creation (ROIC vs. ke)							Yes
ROIC (FY1E)	27.9%	Cost of equity (ke)	6.6%	EVA spread (ROIC – ke)	21.3%		
Price target / upside	\$43.00	28.9%		Value / share range (low–high)	\$45 – \$94		
10. Uses of Capital — allocation discipline							Yes
Reinvestment 54% of NOPAT, dividends + buybacks -1% in FY2026E; no regular dividend (special paid March 2026) and \$137 million of buybacks authorized.							
VALUE FIT SCORE — criteria met							7 / 10

USES OF CAPITAL — full range, as % of cash generated (NOPAT)							
	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	Avg 2023–2028
NOPAT before reinvestment (\$mm)	304	635	861	1,014	1,090	1,191	
<i>Uses, as % of NOPAT</i>							
Investments & fixed assets (Δ NFA)	300.6%	119.0%	152.3%	99.0%	45.7%	55.5%	128.7%
Working capital (Δ NWC)	(27.8%)	(71.3%)	(68.9%)	(44.8%)	(20.7%)	(25.1%)	(43.1%)
Dividends	—	—	—	—	—	—	—
Share buybacks	(41.1%)	18.8%	9.7%	(0.9%)	19.9%	15.3%	3.6%
Debt repaid (neg. = borrowing)	(0.0%)	(0.0%)	0.0%	(4.3%)	(2.0%)	(2.4%)	(1.5%)
Cash & securities build	(100.8%)	31.5%	8.3%	28.9%	27.0%	24.7%	3.3%
Interest & other (residual)	(30.7%)	2.1%	(1.4%)	22.1%	30.0%	32.1%	9.0%
Total uses of capital	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Discipline — reinvestment, % of NOPAT</i>	272.7%	47.7%	83.4%	54.2%	25.0%	30.4%	85.6%
<i>Dividends + buybacks, % of NOPAT</i>	(41.1%)	18.8%	9.7%	(0.9%)	19.9%	15.3%	3.6%

COMPS OVERVIEW (current multiples, FactSet)						
Ticker	Company	P/E	P/S	P/B	P/CF	EV/EBIT
HG	Hamilton Insurance Group, Ltd. Class B	5.6x	1.1x	1.2x	4.0x	
ACGL	Arch Capital Group Ltd.	7.4x	1.8x	1.4x	5.4x	
RNR	RenaissanceRe Holdings Ltd.	5.6x	1.2x	1.2x	3.7x	
AXS	Axis Capital Holdings Limited	6.7x	1.0x	1.2x	2.9x	
EG	Everest Group, Ltd.	7.8x	0.9x	0.9x	6.4x	
SPNT	SiriusPoint Ltd	5.9x	0.9x	1.3x	12.2x	
Median	Comp median (subject included)	6.3x	1.1x	1.2x	4.7x	n/a
HG	Subject, at current price	5.7x	1.2x	1.2x	27.1x	2.7x
Premium / (discount) to comp median		(9%)	+12%	(2%)	+472%	n/a

1. Casualty reserves: the \$16 million 2Q26 charge was about 0.8% of net casualty reserves and 0.5% of total net reserves, but further adverse development in Bermuda casualty would hit book value directly. Watch the 3Q specialty and 4Q property reserve reviews.
2. Softening pricing: abundant capacity keeps property rates under pressure and specialty is competitive. If growth only comes from cutting price, the low- to mid-90s combined ratio target is at risk.
3. Two Sigma fund volatility: the fund is about 39% of investments, so a weak year would cut ROE and book value growth; 2Q26 EPS of \$1.56 beat mainly on fund returns.

Exit discipline: sell if the price reaches our \$43 target without matching book value growth, if the combined ratio runs above 95% for a full year, or if a single reserve charge exceeds 2% of net reserves.