MOLTO RE / INDEX RESEARCH

MR_global_reco_methodology

Methodology & Constituent Weights

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Molto RE calculated this index in the following way: a fixed basket of 25 publicly traded insurance and reinsurance groups is assigned equal weights at inception and at each quarterly rebalance. Between rebalances, constituent weights change with share-price performance.

The index provides a transparent measure of equity-market performance across the selected groups. Equal weighting limits the influence of the largest conglomerates and makes participation across companies easier to assess.

Methodology at a glance

Design element	Method
Base level	100 at the November 13, 2023 aligned close
Constituents	25 selected listed groups; fixed historical membership
Target weight	4.00% per constituent at each quarterly reset
Return measure	Local-currency / quoted-instrument price composite
Rebalance	Final US trading session of each calendar quarter

Research status and interpretation

The series is a historical research reconstruction, not a live investment track record. It is not a USD-denominated or total-return index. Split and dividend adjustment settings in the underlying price exports have not been independently verified. Cash dividends, fees, taxes and transaction costs are not added separately.

Calculation and analytics: Molto RE. Price data: Barchart.com. Selection context: Reinsurance News, Top Global Reinsurance Groups directory, which credits AM Best research. These references do not imply sponsorship or endorsement.

01 / Objective and constituent universe

What the index measures

The MR Global ReCo Index ™ measures share-price performance across 25 selected publicly traded insurance and reinsurance groups. It offers a view of market sentiment and valuation across the basket. It does not measure reinsurance premium rates, renewal pricing, underwriting profitability, catastrophe losses or returns on deployed reinsurance capital.

Constituent selection

Molto RE uses a fixed 25-company universe, with one quoted instrument for each selected group. The Reinsurance News directory provides industry context; the basket is not a mechanical ranking of the 25 largest eligible reinsurers. The original selection date and a reproducible ranking-based selection screen have not been established.

The directory distinguishes IFRS 17 reinsurance revenue from non-IFRS gross reinsurance premiums. These measures are not directly comparable. Some constituents are listed parent companies of reinsurance operations and therefore include material activities outside reinsurance.

Equal-weight design

Each constituent receives a 4% target weight at inception and each quarterly reset. Market-capitalization weighting would give greater influence to large diversified groups, while premium- or revenue-based weighting would mix accounting measures and may duplicate parent and subsidiary exposures. Equal weighting is a portfolio-design choice; it does not imply equal economic exposure to reinsurance.

Analytical measures

Measure	Interpretation
Breadth	Companies advancing, declining or unchanged on the aligned session
Daily contribution	Each constituent's percentage-point contribution to the index return
Drawdown and volatility	Decline from the prior peak and variability of daily returns
Price freshness	Date and age of the latest price used for each company
Sensitivity	A separately rebalanced 24-company series excluding MAPFRE

Historical membership

The 2026 constituent universe is applied retrospectively to November 2023. Historical membership changes, delistings and failed firms have not been reconstructed. Selection and survivorship bias therefore affect the backtest.

02 / Calculation methodology

Parameter	Calculation rule
Calendar	US sessions represented in the Berkshire Hathaway Class B price history
Base date	November 13, 2023; Hamilton determines the common historical start
Quarterly reset	Last US session of March, June, September and December; new weights apply to the following session
Currency	21 USD instruments, 2 CAD, 1 AUD and 1 GBp; ADRs retain embedded currency effects
Missing observations	Carry the latest price on or before the session. No future prices or interpolation are used. Record the price date and age.
Price return	Changes in the Barchart Latest field. No separate cash dividends, currency overlay, fees, taxes or transaction costs.

Index level and rebalancing

Let P(i,t) denote the aligned constituent price, q(i) the units held and I(t) the index level. Initial units are q(i) = 4 / P(i,base). Between resets, I(t) = sum[q(i) x P(i,t)]. At each reset, q(i) = I(t) x 0.04 / P(i,t). Rebalancing changes units without changing the index level.

Weights and daily contributions

The starting weight is w(i,t-1) = q(i) x P(i,t-1) / I(t-1). Daily contribution, in percentage points, equals 100 x w(i,t-1) x [P(i,t) / P(i,t-1) - 1]. Contributions sum to the daily index percentage return. A 4% starting weight and a 2% price increase contribute +0.08 percentage points.

Performance statistics

Period return = 100 x [I(end) / I(start) - 1]. Year-to-date return uses the final available prior-year session. Drawdown = 100 x [I(t) / max(I(0)...I(t)) - 1]. Annualized volatility is the sample standard deviation of daily simple returns multiplied by the square root of 252.

Cross-market alignment

Prices are aligned by calendar date to US sessions. Foreign-market closes occur at different times; the composite is not a synchronized executable closing portfolio. GBp scaling cancels in price relatives. Conversion into USD would require exchange rates and, for GBp instruments, conversion from pence to pounds.

03 / Constituent weights

Target weights reset to 4.00% per company. Current weights below reflect the October 28, 2026 aligned close and drift with performance between resets. Rounded current weights may not sum to exactly 100%.

Company	Instrument key	Quote	Target %	Current %
Arch Capital	ACGL	USD	4.00	4.22
Assicurazioni Generali	ARZGY	USD	4.00	3.76
AXA	AXAHY	USD	4.00	3.77
AXIS Capital	AXS	USD	4.00	4.10
Berkshire Hathaway	BRKB	USD	4.00	4.12
Chubb	CB	USD	4.00	4.15
Everest Group	EG	USD	4.00	4.03
Fairfax Financial	FFHTO	CAD	4.00	4.22
Great-West Lifeco	GWOTO	CAD	4.00	3.92
Hamilton Insurance	HG	USD	4.00	3.99
Hiscox	HSXLN	GBp	4.00	3.78
Hannover Re	HVRRY	USD	4.00	4.17
Markel	MKL	USD	4.00	4.09
MAPFRE	MPFRY	USD	4.00	3.69
MS&AD Insurance	MSADY	USD	4.00	4.01
Munich Re	MURGY	USD	4.00	4.16
QBE Insurance	QBEAX	AUD	4.00	4.13
Reinsurance Group of America	RGA	USD	4.00	4.03
RenaissanceRe	RNR	USD	4.00	3.97
SCOR	SCRYY	USD	4.00	3.78
Sompo Holdings	SMPNY	USD	4.00	3.97
SiriusPoint	SPNT	USD	4.00	3.96
Swiss Re	SSREY	USD	4.00	4.16
Tokio Marine	TKOMY	USD	4.00	3.78
W. R. Berkley	WRB	USD	4.00	4.03

Instrument keys follow the price-file conventions and are not standardized exchange ticker symbols. Instrument identities and quotation currencies remain subject to final instrument-master confirmation.

04 / Group mapping and data limitations

Listed-parent mappings

Twenty constituents map directly by name to the industry directory. Five listed-parent mappings associate the quoted group with the following reinsurance operations:

Listed group	Reinsurance operation
AXA	AXA XL
Fairfax Financial	Odyssey Group / Allied World
Great-West Lifeco	Canada Life Re
MAPFRE	MAPFRE RE
Sompo Holdings	Sompo International

These mappings are research interpretations. Parent-company shares include broader businesses, and overlapping group exposures may remain. Other directory entries, including unlisted businesses and some listed reinsurers, are outside the basket. Listed status alone does not explain every exclusion.

Sparse observations and carried prices

In the reconstructed window through October 28, 2026, the MAPFRE ADR has 150 observations and a maximum interval of 70 calendar days between trades. Its latest price is dated October 26, 2026. Across the full basket, 323 sessions include at least one price more than five calendar days old. Carrying prices can suppress measured volatility and delay the recognition of market moves.

Ex-MAPFRE sensitivity

Through October 28, 2026, the 24-company sensitivity returns +82.96% from the base date, compared with +85.43% for the 25-company composite, a difference of 2.47 percentage points. The sensitivity resets each remaining company to 1/24 at rebalance. It does not estimate or replace missing MAPFRE prices.