

# **AXIS Capital Holdings Limited**



**Investment Portfolio  
Supplemental Information and Data  
March 31, 2010**



# Cautionary Note on Forward Looking Statements

Statements in this presentation that are not historical facts, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections, may be “forward-looking statements” within the meaning of the U.S. federal securities laws, including the Private Securities Litigation Reform Act of 1995. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “intend” or similar expressions. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. Forward-looking statements contained in this presentation may include, but are not limited to, information regarding measurements of potential losses in the fair value of our investment portfolio, our expectations regarding pricing and other market conditions and valuations of the potential impact of movements in interest rates, equity prices, credit spreads and foreign currency rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following:

- the occurrence of natural and man-made disasters,
- actual claims exceeding our loss reserves,
- general economic, capital and credit market conditions,
- the failure of any of the loss limitation methods we employ,
- the effects of emerging claims and coverage issues,
- the failure of our cedants to adequately evaluate risks,
- the loss of one or more key executives,
- a decline in our ratings with rating agencies,
- loss of business provided to us by our major brokers,
- changes in accounting policies or practices,
- changes in governmental regulations,
- increased competition,
- changes in the political environment of certain countries in which we operate or underwrite business, and
- fluctuations in interest rates, credit spreads, equity prices and/or currency values.

We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

This report is for informational purposes only. It should be read in conjunction with the documents that we file with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934.

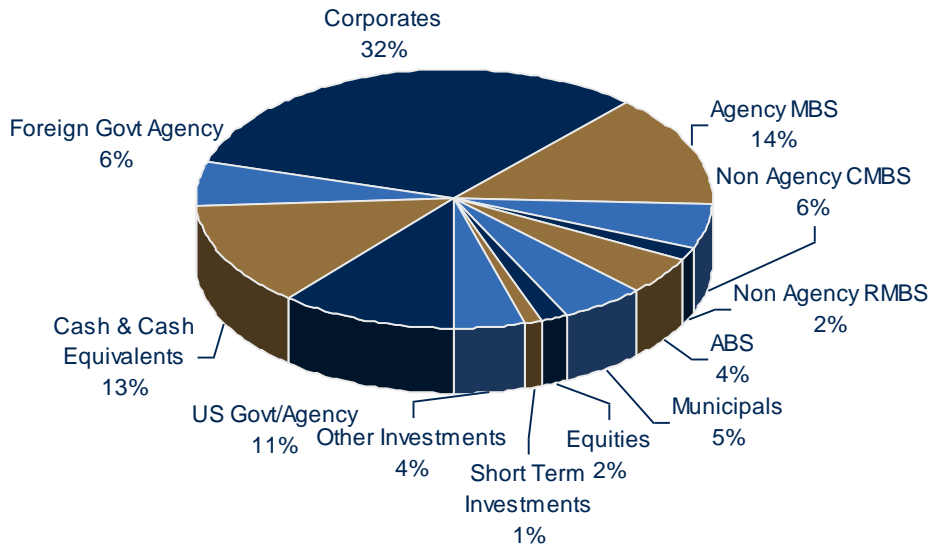


# Total Cash and Invested Assets

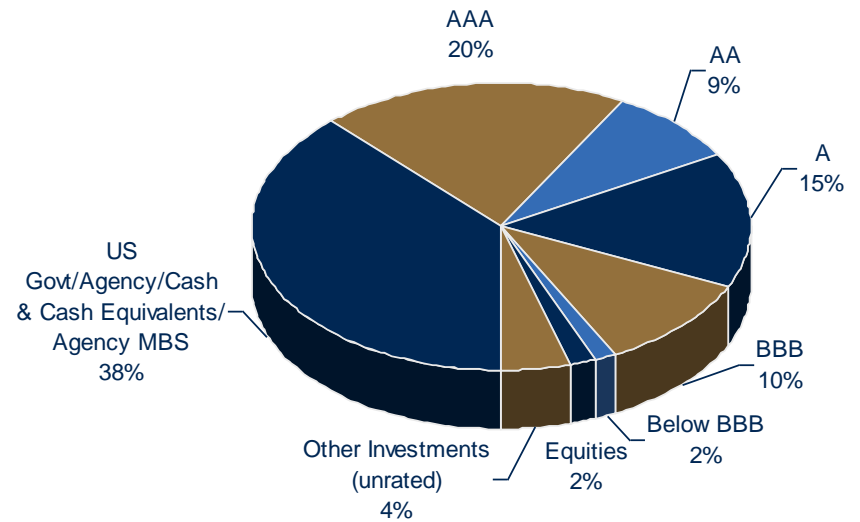
(As of March 31, 2010)

**Total Cash and Invested Assets: \$12.1 Billion**

**Total Portfolio Allocation**



**Total Portfolio Ratings Allocation**



Note: Other investments include hedge funds, CLO equity tranches, credit funds and short duration high yield fund.

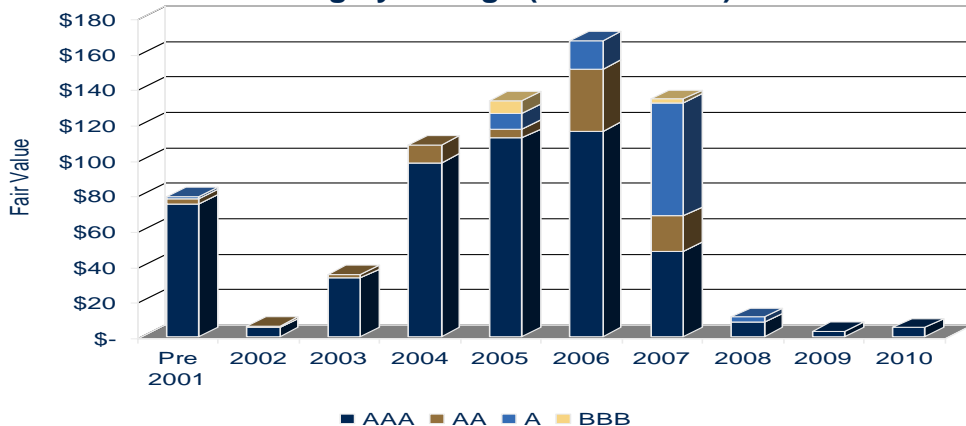


# Non-Agency CMBS: Detail

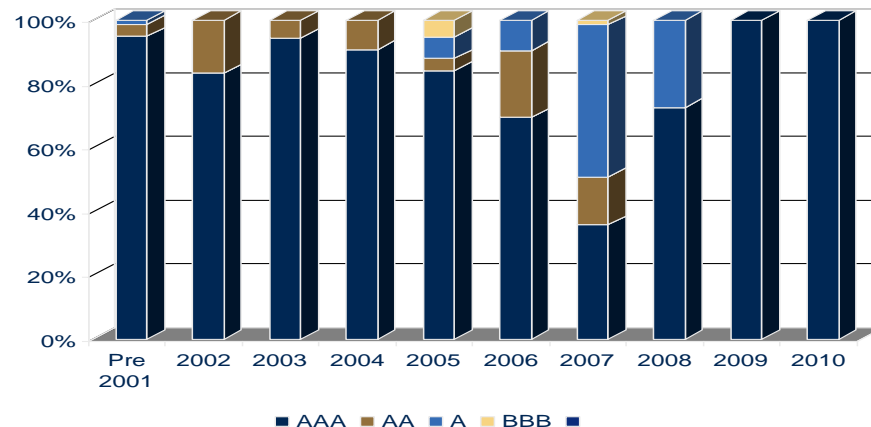
(As of March 31, 2010)

**Total Non Agency CMBS: \$681 Million  
(6% of total portfolio)**

Rating by Vintage (\$ in millions)



Rating by Vintage (%)



Fair Value (\$ in millions)

Vintage	AAA	AA	A	BBB	Total
2010	\$5	\$-	\$-	\$-	\$5
2009	3	-	-	-	3
2008	8	-	3	-	11
2007	48	20	64	1	133
2006	116	34	16	-	166
2005	112	6	9	7	134
Other	212	16	1	-	229
<b>Total</b>	<b>\$504</b>	<b>\$76</b>	<b>\$93</b>	<b>\$8</b>	<b>\$681</b>

Net Unrealized Gain/(Loss) (\$ in millions)

Net Unrealized	\$16	\$2	\$(2)	\$(1)	\$15
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## Key Characteristics

- 74.1% AAA, 94.1% senior/super senior tranches
- 149 securities
- Weighted average life of 4.8 years
- Duration of 3.54
- Book yield is 5.59%
- Average price of 101% of par



# Non-Agency CMBS: Detail (Continued)

(As of March 31, 2010)

## Collateral Property Type (\$ in millions)

Asset Class	Amortized Cost	Net Unrealized Gain	Fair Value
Office	\$218	\$4	\$222
Retail	213	5	218
Multifamily	104	2	106
Hotel	49	1	50
Industrial	30	1	31
Mixed use	15	1	16
Self storage	13	-	13
Mobile home	11	-	11
Healthcare	4	-	4
Other	9	1	10
<b>Total</b>	<b>\$666</b>	<b>\$15</b>	<b>\$681</b>

## Maturity Detail (\$ in millions)

Years to Maturity	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
< 2	\$89	\$1	\$90
2.1 – 3	72	3	75
3.1 – 4	71	3	74
4.1 – 5	113	5	118
5.1 – 7	224	4	228
7.1 – 10	88	(1)	87
> 10	9	-	9
<b>Total</b>	<b>\$666</b>	<b>\$15</b>	<b>\$681</b>

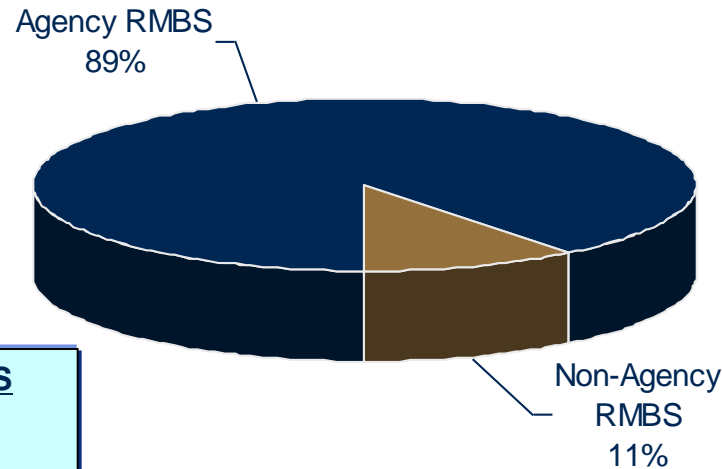
- Average loan to value of the underlying collateral is 71.8
- Average subordination has improved to 27.2% from 24.7% at origination
- Current percentage of defeased collateral is 8.43%
- Average current collateral delinquency is 7.99%



# Investment Grade Fixed Income: RMBS

(As of March 31, 2010)

**Total Agency and Non-Agency RMBS: \$1.9 Billion  
(16% of total portfolio)**



## Key Characteristics – Agency RMBS

- Primarily pass-through securities issued by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and the Government National Mortgage Association
- These securities have an amortized cost of \$1.6 billion with a net unrealized gain of \$40 million
- Duration of 2.98
- Book yield is 4.27%

## Key Characteristics – Non Agency RMBS

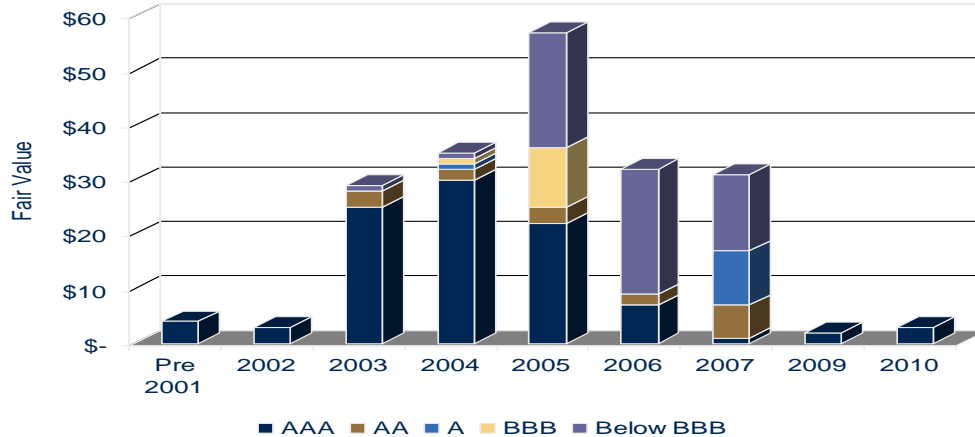
- Non-Agency RMBS have an amortized cost of \$222 million with net unrealized loss of \$22 million
- This sector includes prime, Alt-A and subprime collateral
- Non-Agency RMBS is 49.2% AAA-rated as detailed on the following slides



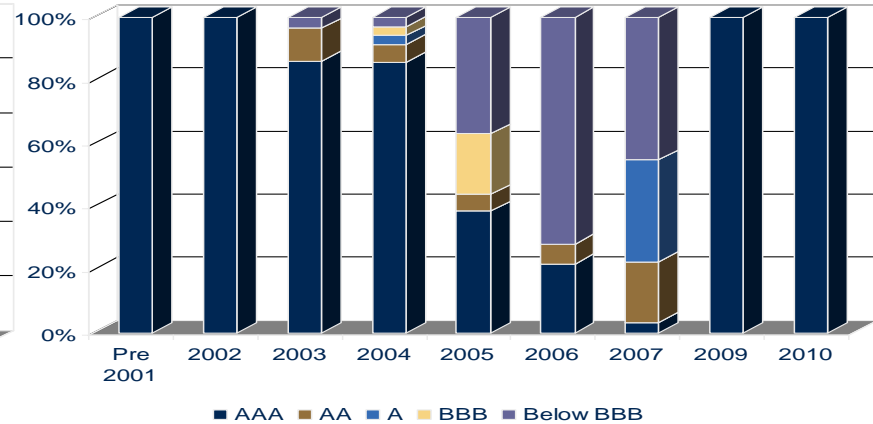
# Non-Agency RMBS: Detail

(As of March 31, 2010)

Rating by Vintage (\$ in millions)



Rating by Vintage (%)



Fair Value (\$ in millions)

Vintage	AAA	AA	A	BBB	Below BBB	Total
2010	\$3	\$-	\$-	\$-	\$-	\$3
2009	2	-	-	-	-	2
2007	1	6	10	-	14	31
2006	7	2	-	-	23	32
2005	22	3	-	12	21	58
2004	30	2	1	1	2	36
Other	33	4	-	-	1	38
<b>Total</b>	<b>\$98</b>	<b>\$17</b>	<b>\$11</b>	<b>\$13</b>	<b>\$61</b>	<b>\$200</b>

Net Unrealized Loss (\$ in millions)

Net Unrealized	\$ (7)	\$ (2)	\$ (2)	\$ (3)	\$ (8)	\$ (22)
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## Key Characteristics

- 49.2% AAA
- 163 securities
- Weighted average life of 4.5 years
- Book yield is 5.73%
- Average price of 85% of par
- Duration of 0.12



# Non-Agency RMBS: Detail (Continued)

(As of March 31, 2010)

## Maturity Detail (\$ in millions)

Years to Maturity	Amortized Cost	Net Unrealized Loss	Fair Value
< 2	\$29	\$(1)	\$28
2.1 – 3	38	(1)	37
3.1 – 4	31	(2)	29
4.1 – 5	28	(4)	24
5.1 – 7	72	(8)	64
7.1 – 10	14	(4)	10
>10	10	(2)	8
<b>Total</b>	<b>\$222</b>	<b>\$(22)</b>	<b>\$200</b>

- The fair value of securities with Subprime content is \$15 million
- The fair value of securities with Alt-A content is \$56 million

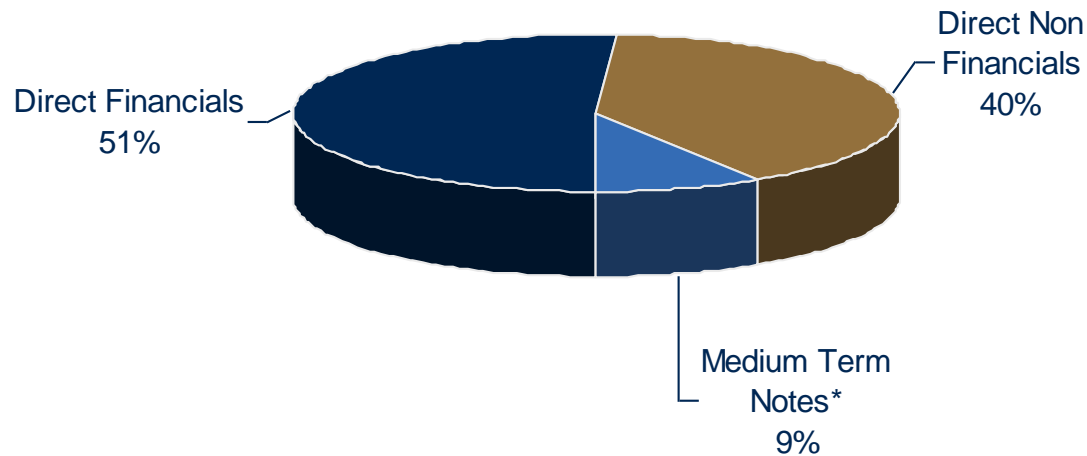
Note: Our Alt-A and Subprime classification is determined by the underlying collateral. A security with any level of Alt-A or Subprime collateral is classified as such even if the majority of the collateral is prime.



# Investment Grade Fixed Income: Corporate Debt

(As of March 31, 2010)

**Total Corporate Debt: \$3.9 Billion  
(32% of total portfolio)**



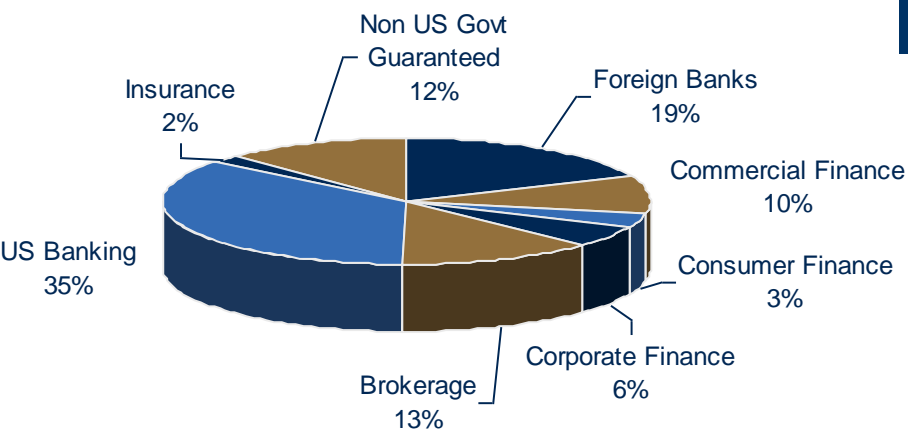
- Average corporate debt rating A
- Weighted average life of 4.62 years
- Duration of 3.59
- Book Yield is 4.5%



# Investment Grade Corporate Debt: Financials

(As of March 31, 2010)

**Financials by Subsector: \$2.0 Billion  
(16% of total portfolio)**



	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
US Banking	\$689	\$10	\$699
Brokerage	244	10	254
Commercial Finance	185	3	188
Consumer Finance	63	2	65
Corporate Finance	112	1	113
Foreign Banks	373	(5)	368
Insurance	43	1	44
Non US Govt Guaranteed	238	-	238
<b>Total</b>	<b>\$1,947</b>	<b>\$22</b>	<b>\$1,969</b>

- Included in Investment Grade Corporate Debt for Financials are \$154 million of FDIC guaranteed bonds



# Corporate Debt - Financials: Detail

(As of March 31, 2010)

## Top 10 Direct Financial Holdings (\$ in millions)

	Amortized Cost	Net Unrealized Gain	Fair Value
Bank of America	\$136	\$3	\$139
JP Morgan Chase	132	6	138
Morgan Stanley	132	3	135
General Electric Co	89	2	91
Citigroup Inc	87	3	90
Goldman Sachs	81	4	85
Credit Suisse	62	2	64
Wells Fargo & Co	62	2	64
HSBC Holdings PLC	61	2	63
American Express	34	1	35

## Financials by Rating (\$ in millions)

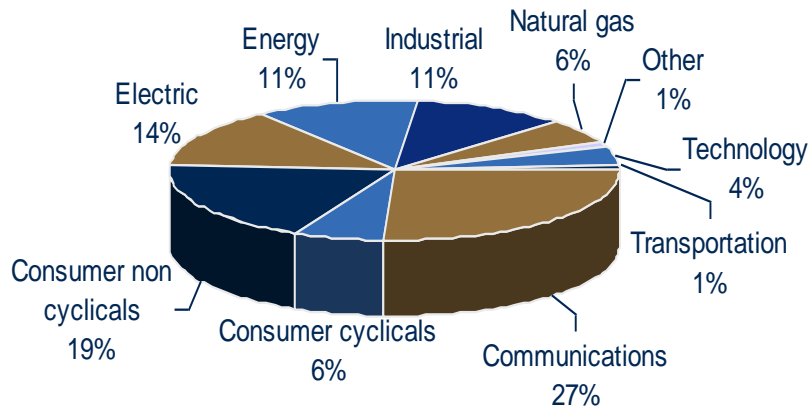
	Amortized Cost	Net Unrealized Gain	Fair Value
AAA	\$465	\$1	\$466
AA	435	1	436
A	894	16	910
BBB	114	4	118
Below BBB	39	-	39
<b>Total</b>	<b>\$1,947</b>	<b>\$22</b>	<b>\$1,969</b>



# Investment Grade Corporate Debt: Non-Financials

(As of March 31, 2010)

## Non-Financials By Subsector: \$1.6 Billion (13% of total portfolio)



### Subsector Detail (\$ in millions)

	Amortized Cost	Net Unrealized Gain	Fair Value
Communications	\$388	\$14	\$402
Consumer cyclicals	99	1	100
Consumer non-cyclicals	285	8	293
Electric	207	9	216
Energy	170	8	178
Industrial	165	7	172
Natural gas	89	1	90
Other	19	-	19
Technology	58	2	60
Transportation	20	1	21
<b>Total</b>	<b>\$1,500</b>	<b>\$51</b>	<b>\$1,551</b>



# Corporate Debt - Non-Financials: Detail

(As of March 31, 2010)

## Top 10 Direct Non-Financial Holdings (\$ in millions)

	Amortized Cost	Net Unrealized Gain	Fair Value
Verizon Communications	\$98	\$7	\$105
AT&T	53	2	55
Time Warner Cable	48	2	50
Comcast Corporation	42	2	44
Kraft Foods Inc	37	1	38
Duke Energy	35	2	37
International Paper Co	33	3	36
Roche Holding AG	30	1	31
Canadian Natural Resources Ltd	27	1	28
Kinder Morgan Energy Partners	27	-	27

## Non Financials by Rating (\$ in millions)

	Amortized Cost	Net Unrealized Gain	Fair Value
AAA	\$2	\$-	\$2
AA	132	3	135
A	606	24	630
BBB	748	24	772
Below BBB	12	-	12
<b>Total</b>	<b>\$1,500</b>	<b>\$51</b>	<b>\$1,551</b>



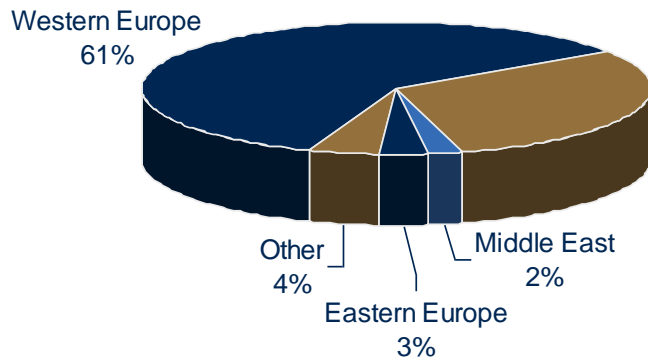
# Investment Grade Corporate Debt: Medium-Term Notes

(As of March 31, 2010)

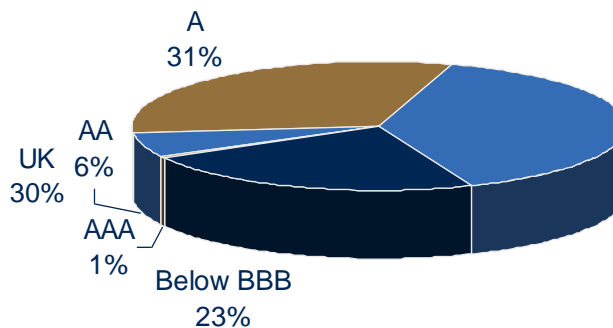
Medium-Term Notes (\$ in millions)

	Amortized Cost	Net Unrealized Gain	Fair Value	% of Total Portfolio
Medium-Term Notes	\$302	\$40	\$342	2.8

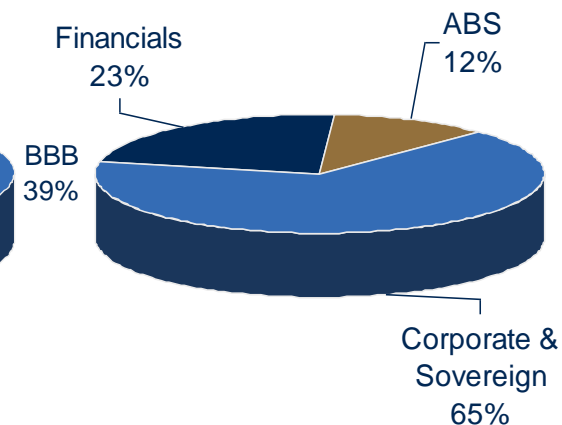
Fair Value by Region



Fair Value by Rating



Fair Value by Sector



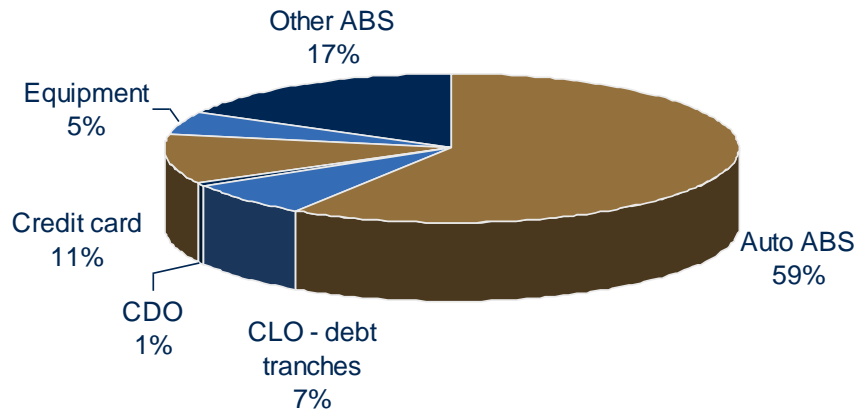
- Credit issuances accessed via medium-term notes which employ leverage
- Current leverage 0.48 (for each unit of client capital an additional 0.48 of borrowed capital is employed)
- Investment results driven by changes in credit spreads and the yield based on LIBOR plus the credit spread
- Average yield of medium-term notes is LIBOR + 278 bps



# Investment Grade Fixed Income: ABS

(As of March 31, 2010)

**ABS by Subsector: \$563 Million  
(4% of total portfolio)**



**Subsector Detail (\$ in millions)**

	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
Auto ABS	\$330	\$3	\$333
CLO – debt tranches	57	(14)	43
CDO	5	(1)	4
Credit card	60	-	60
Equipment	27	-	27
Other ABS	94	2	96
<b>Total</b>	<b>\$573</b>	<b>\$(10)</b>	<b>\$563</b>



# ABS: Detail

(As of March 31, 2010)

## Maturity Detail (\$ in millions)

Years to Maturity	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
< 2	\$305	\$2	\$307
2.1 – 3	74	-	74
3.1 – 4	71	(6)	65
4.1 – 5	45	(3)	42
5.1 – 7	30	(4)	26
7.1 – 10	44	2	46
>10	4	(1)	3
<b>Total</b>	<b>\$573</b>	<b>\$(10)</b>	<b>\$563</b>

## Rating Detail (\$ in millions)

	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
AAA	\$510	\$7	\$517
AA	-	-	-
A	13	(2)	11
BBB	18	(5)	13
Below BBB	32	(10)	22
<b>Total</b>	<b>\$573</b>	<b>\$(10)</b>	<b>\$563</b>

## Vintage Detail (\$ in millions)

Vintage	AAA	AA	A	BBB	Below BBB	Total
2010	\$81	\$-	\$-	\$-	\$-	\$81
2009	246	-	-	-	-	246
2008	109	-	-	-	-	109
2007	27	-	1	-	-	28
2006	25	-	-	1	-	26
Other	28	-	10	12	23	73
<b>Total</b>	<b>\$516</b>	<b>\$-</b>	<b>\$11</b>	<b>\$13</b>	<b>\$23</b>	<b>\$563</b>

## Net Unrealized Loss (\$ in millions)

Net Unrealized	\$7	\$-	\$(2)	\$(5)	\$(10)	\$(10)

## Key Characteristics

- 91.6% AAA
- 90 securities
- Weighted average life of 2.66 years
- Duration of 1.41
- Book yield is 2.3%
- Average price of 100% of par



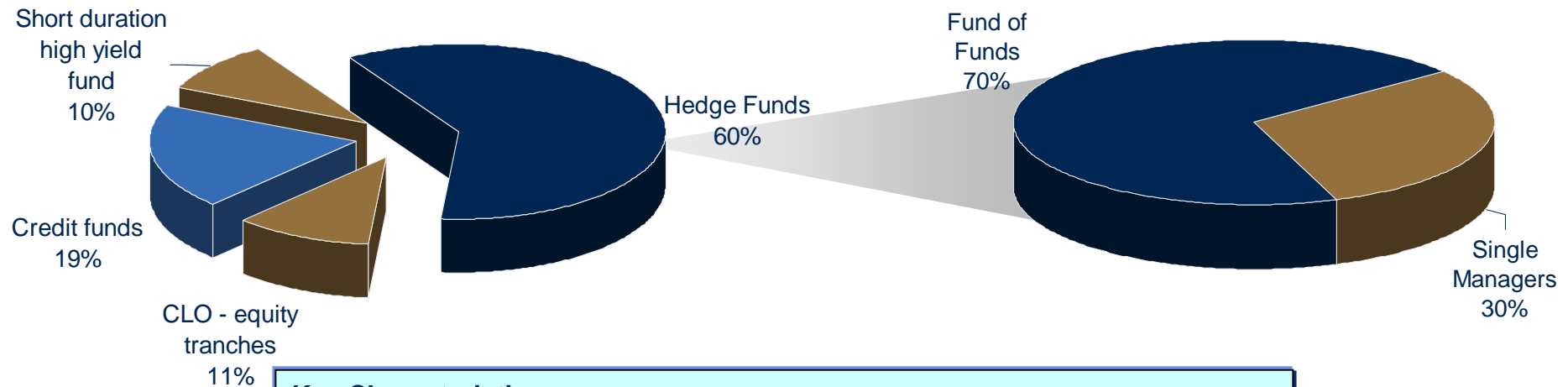
# Other Investments Overview

(As of March 31, 2010)

**Total Other Investments: \$539 million  
(4% of total portfolio)**

**Total Other Investments**

**Hedge Funds**



## Key Characteristics

- Short duration high yield fund – invests mainly in high yield bonds with an average maturity of 2.9 years and average rating of B+
- Credit funds – invest in bank loans, investment grade credit and distressed debt
- CLO equity tranches – equity tranches of cash flow collateralized loan obligations that invest primarily in first-lien bank loans
- Fund of Funds – seek to achieve attractive risk adjusted total returns by investing in a large diversified portfolio of asset managers
- Single managers – invest in event driven, equity long short, and energy MLP strategies

