FINANCIAL STATEMENTS

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ASPEN INSURANCE HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS

As at March 31, 2025 and December 31, 2024

($ in millions)

	As at March 31, 2025	As at December 31, 2024
	(Unaudited)	
ASSETS		
Fixed income securities, available for sale (amortized cost — 2025: $5,188.4 and 2024: $4,861.1 net of allowance for expected credit losses 2025: $1.4 and 2024: $1.0) (1)	$ 5,088.1	$ 4,692.2
Fixed income securities, trading at fair value (amortized cost — 2025: $1,177.5 and 2024: $1,207.7) (1)	1,172.4	1,199.9
Short-term investments, available for sale (amortized cost — 2025: $139.6 and 2024: $261.9)	139.6	261.9
Short-term investments, trading at fair value (amortized cost — 2025: $19.1 and 2024: $1.0)	19.1	1.0
Catastrophe bonds, trading at fair value (amortized cost — 2025: $Nil and 2024: $1.0)	—	1.0
Privately-held investments, available for sale (amortized cost — 2025: $24.5 and 2024: $24.0)	25.0	24.2
Privately-held investments, trading at fair value (amortized cost — 2025: $234.3 and 2024: $288.0) (2)	230.8	286.8
Investments, equity method	7.4	7.3
Other investments, at fair value (3)	304.4	267.2
Total investments	6,986.8	6,741.5
Cash and cash equivalents (4)	845.2	914.2
Unpaid losses recoverable from reinsurers (net of allowance for expected credit losses of 2025: $27.5 and 2024: $27.5)	4,228.4	4,172.0
Ceded unearned premiums	1,019.0	901.7
Underwriting premiums receivables (7) (net of allowance for expected credit losses of 2025: $24.3 and 2024: $24.6)	1,728.3	1,617.0
Deferred acquisition costs	350.8	322.1
Derivative assets	19.2	17.0
Right-of-use operating lease assets	51.0	53.5
Income taxes refundable	—	0.9
Deferred tax assets	384.9	397.9
Other assets	329.4	590.8
Intangible assets and goodwill	19.9	19.9
Total assets	**$ 15,962.9**	$ 15,748.5
LIABILITIES		
Reserve for losses and loss adjustment expenses (7)	$ 8,448.9	$ 8,122.6
Unearned premiums (7)	2,812.0	2,645.8
Total insurance reserves	11,260.9	10,768.4
Reinsurance premiums	858.6	901.1
Income taxes payable	15.9	6.8
Deferred tax liabilities	1.1	1.1
Accrued expenses and other payables (5)	204.3	237.2
Payables for securities purchased	54.5	36.9
Operating lease liabilities	73.1	75.6
Derivative liabilities	4.0	49.5
Long-term debt	300.0	300.0
Total liabilities	**$ 12,772.4**	$ 12,376.6
Commitments and contingent liabilities (see Note 13)		
SHAREHOLDERS' EQUITY		
Ordinary shares (6)	$ 0.1	$ 0.1
Preference shares	699.9	970.5
Additional paid-in capital (6)	761.7	761.7
Retained earnings	2,049.6	2,029.7
Accumulated other comprehensive (loss)	(320.8)	(390.1)
Total shareholders' equity	**3,190.5**	3,371.9
Total liabilities and shareholders' equity	**$ 15,962.9**	$ 15,748.5

(1) Fixed income securities, available for sale includes related party investments totaling $16.5 million (December 31, 2024 — $14.0 million). Fixed income securities, trading at fair value includes related party investments totaling $86.1 million (December 31, 2024 — $74.9 million).

(2) Privately-held investments, trading at fair value include related party investments totaling $58.2 million (December 31, 2024 — $73.6 million).

(3) Other investments includes related party investments in Funds Managed by Apollo of $76.1 million (December 31, 2024 — $78.6 million).

(4) Cash and cash equivalents includes restricted cash of $152.9 million (December 31, 2024 — $181.9 million) which are held in trusts.

(5) Includes amounts due to related parties of $3.8 million for investment management fees (December 31, 2024 — $4.0 million), and $1.3 million for management consulting fees (December 31, 2024 — $1.3 million).

(6) Ordinary shares and additional paid-in capital have been retroactively adjusted to reflect the Ordinary Share Exchange, for all periods presented. Refer to Note 9, "Capital Structure" for further details.

(7) Included within underwriting premiums receivables, reserve for losses and loss adjustment expenses and unearned premiums are related party balances of $0.5 million, $0.4 million and $0.8 million respectively. Refer to Note 12, "Related Party Transactions" for further details.

ASPEN INSURANCE HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

For The Three Months Ended March 31, 2025 and 2024

($ in millions, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues		
Net earned premiums [4]	$ 702.7	$ 665.7
Net investment income [1]	75.9	76.8
Realized and unrealized investment gains [2]	10.5	13.7
Total revenues	789.1	756.2
Expenses		
Losses and loss adjustment expenses [4]	455.3	384.5
Acquisition costs	95.7	92.9
General, administrative and corporate expenses [3]	158.2	130.7
Interest expense	9.1	16.1
Change in fair value of derivatives	(25.9)	13.6
Realized and unrealized investment losses	10.8	14.7
Net realized and unrealized foreign exchange losses/(gains)	38.8	(22.7)
Total expenses	742.0	629.8
Income from operations before income taxes	47.1	126.4
Income tax expense	(10.3)	(14.6)
Net income	**$ 36.8**	**$ 111.8**
Other Comprehensive Income/(Loss):		
Reclassification adjustment for net realized losses on investments included in net income	$ 3.4	$ 3.9
Change in net unrealized gains/(losses) on available for sale securities held	66.4	(30.6)
Net change from current period hedged transactions	5.2	(0.5)
Change in foreign currency translation adjustment	12.2	(9.1)
Other comprehensive income/(loss), before income taxes	87.2	(36.3)
Income tax (expense)/benefit thereon:		
Reclassification adjustment for net realized losses on investments included in net income	(0.7)	(0.4)
Change in net unrealized (gains)/losses on available for sale securities held	(13.7)	3.0
Net change from current period hedged transactions	(1.0)	—
Change in foreign currency translation adjustment	(2.5)	—
Total income tax (expense)/benefit allocated to other comprehensive income/(loss)	(17.9)	2.6
Other comprehensive income/(loss), net of income taxes	69.3	(33.7)
Total comprehensive income attributable to Aspen Insurance Holdings Limited	**$ 106.1**	**$ 78.1**
Net income as reported	$ 36.8	$ 111.8
Preference share dividends	(12.5)	(13.6)
Preference share redemption costs	(4.4)	—
Net income available to Aspen Insurance Holdings Limited's ordinary shareholders	$ 19.9	$ 98.2
Basic and diluted earnings per ordinary share	$ 0.22	$ 1.08

(1) Net investment income includes related party net investment income of $1.8 million (March 31, 2024 — $4.4 million) and related party investment management fees of $2.3 million (March 31, 2024 — $2.6 million).

(2) Realized and unrealized investments gains includes losses of $1.3 million on related party investments (March 31, 2024 — gains of $2.7 million).

(3) General, administrative and corporate expenses includes related party management consulting fees of $1.3 million (March 31, 2024 — $1.3 million).

(4) Included within net earned premiums and losses and loss adjustment expenses are related party balances of $0.8 million and $0.4 million respectively. Refer to Note 12, "Related Party Transactions" for further details.

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ASPEN INSURANCE HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For The Three Months Ended March 31, 2025 and 2024
($ in millions)

	Three Months Ended March 31,	
	2025	2024
Ordinary shares [1]		
Beginning of the year	$ 0.1	$ 0.1
End of the year	0.1	0.1
Preference shares [2]		
Beginning of the year	970.5	753.5
Preference shares redeemed [3]	(270.6)	—
End of the year	699.9	753.5
Additional paid-in capital [1]		
Beginning of the year	761.7	761.7
End of the year	761.7	761.7
Retained earnings		
Beginning of the year	2,029.7	1,793.5
Net income for the year	36.8	111.8
Dividends on ordinary shares	—	(25.0)
Dividends on preference shares	(12.5)	(13.6)
Preference share redemption costs [3]	(4.4)	—
End of the year	2,049.6	1,866.7
Accumulated other comprehensive income:		
Cumulative foreign currency translation adjustments:		
Beginning of the year	(186.6)	(172.5)
Change for the year, net of income taxes	9.7	(9.1)
End of the year	(176.9)	(181.6)
(Loss)/gain on derivatives:		
Beginning of the year	(5.3)	(0.2)
Net change from current period hedged transactions, net of income taxes	4.2	(0.5)
End of the year	(1.1)	(0.7)
Unrealized (depreciation)/appreciation on available for sale investments:		
Beginning of the year	(198.2)	(227.6)
Change for the year, net of income taxes	55.4	(24.1)
End of the year	(142.8)	(251.7)
Total accumulated other comprehensive (loss)	(320.8)	(434.0)
Total shareholders' equity	**$ 3,190.5**	**$ 2,948.0**

(1) Ordinary shares and additional paid-in capital have been retroactively adjusted to reflect the Ordinary Share Exchange, for all periods presented. Refer to Note 9, "Capital Structure" for further details.

(2) Preference shares of $725.0 million, less issuance costs of $25.1 million (December 31, 2024 — $1,000.0 million and $29.5 million).

(3) On January 1, 2025, the Company redeemed its 5.950% Fixed-to-Floating Rate Perpetual Non-Cumulative Preference Shares, representing an aggregate amount of $275.0 million, plus a reclassification adjustment of $4.4 million between retained earnings and preference shares which represents the difference between the capital raised upon issuance, net of issuance costs, and the final redemption cost.

ASPEN INSURANCE HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For The Three Months Ended March 31, 2025 and 2024
($ in millions)

	Three Months Ended March 31, 2025	2024
Cash flows from operating activities:		
Net income	$ 36.8	$ 111.8
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	6.2	(0.1)
Amortization of right-of-use operating lease assets	2.5	2.6
Interest on operating lease liabilities	0.9	1.1
Realized and unrealized investment gains	(10.5)	(13.7)
Realized and unrealized investment losses	10.8	14.7
Deferred tax (benefit)/expense	(2.4)	4.0
Net realized and unrealized investment foreign exchange (gains)/losses	(3.2)	8.7
Net change from current period hedged transactions	5.2	(0.5)
Unrealized losses on investment funds in net investment income	5.1	3.7
Changes in:		
Reserve for losses and loss adjustment expenses	326.3	(14.6)
Unearned premiums	166.2	214.2
Unpaid losses recoverable from reinsurers	(56.4)	188.3
Ceded unearned premiums	(117.3)	(139.4)
Deferred acquisition costs	(28.7)	(35.1)
Reinsurance premiums payable	(42.5)	(26.2)
Underwriting premiums receivable	(111.3)	(231.7)
Income tax payable and refundable	10.0	8.0
Accrued expenses and other payables	(32.9)	(16.6)
Derivative assets and derivative liabilities	(47.7)	22.7
Operating lease liabilities	(3.4)	(4.0)
Other	(8.6)	4.8
Net cash provided by operating activities	$ 105.1	$ 102.7

ASPEN INSURANCE HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)
For The Three Months Ended March 31, 2025 and 2024
($ in millions)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from investing activities:		
(Purchases) of fixed income securities — Available for sale	$ (1,000.0)	$ (592.3)
(Purchases) of fixed income securities — Trading	(130.3)	(77.8)
Proceeds from sales and maturities of fixed income securities — Available for sale	683.0	170.2
Proceeds from sales and maturities of fixed income securities — Trading	164.0	93.2
Net proceeds from catastrophe bonds — Trading	1.0	0.5
(Purchases) of short-term investments — Available for sale	(32.2)	(34.4)
Proceeds from sale of short-term investments — Available for sale	156.7	50.4
(Purchases) of short-term investments — Trading	(18.9)	(3.6)
Proceeds from sale of short-term investments — Trading	0.9	—
(Purchases) of privately-held investments — Trading	(1.9)	(4.3)
Proceeds from sale of privately-held investments — Trading	55.7	24.4
Net change in receivable for securities sold	7.0	10.4
(Purchases) of other investments	(53.0)	(2.3)
Net proceeds from sales of other investments	8.6	—
Net (purchases) of fixed assets	(6.5)	(3.7)
Net cash (used in) investing activities	$ (165.9)	$ (369.3)
Cash flows from financing activities:		
Dividends paid on preference shares	$ (12.5)	$ (13.6)
Net cash (used in) financing activities	$ (12.5)	$ (13.6)
Effect of exchange rate movements on cash and cash equivalents	4.3	(4.5)
(Decrease) in cash and cash equivalents	(69.0)	(284.7)
Cash and cash equivalents at beginning of period	914.2	1,028.1
Cash and cash equivalents at end of period (1)	$ 845.2	$ 743.4

(1) Cash and cash equivalents includes restricted cash of $152.9 million (December 31, 2024 — $181.9 million) which are held in trusts.

ASPEN INSURANCE HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For The Three Months Ended March 31, 2025 and 2024

($ in millions, except share and per share amounts)

1. History and Organization

History and Organization. Aspen Insurance Holdings Limited ("Aspen Holdings") was incorporated as a Bermuda exempted company on May 23, 2002 as a holding company headquartered in Bermuda. We underwrite specialty insurance and reinsurance on a global basis through our Operating Subsidiaries (as defined below) based in Bermuda, the United States and the United Kingdom: Aspen Bermuda Limited ("Aspen Bermuda"), Aspen Specialty Insurance Company ("Aspen Specialty"), Aspen American Insurance Company ("AAIC"), Aspen Insurance UK Limited ("Aspen UK") and Aspen Underwriting Limited ("AUL") (as the sole corporate member of our Lloyd's operations, Syndicate 4711, which is managed by Aspen Managing Agency Limited ("AMAL") (together, "Aspen Lloyd's")), each referred to herein as an "Operating Subsidiary" and collectively referred to as the "Operating Subsidiaries", as well as through branch operations in Canada, Singapore and Switzerland. We established Aspen Capital Management, Ltd. ("ACML") and other related entities (collectively, "ACM") to leverage our existing underwriting franchise, increase our operational flexibility and provide third-party investors direct access to our capital markets and underwriting expertise. References to the "Company," the "Group," "we," "us" or "our" refer to Aspen Holdings or Aspen Holdings and its consolidated subsidiaries.

Since February 2019, the Company has been a wholly-owned subsidiary of Highlands Bermuda Holdco, Ltd. ("Parent"), which holds all of the Company's ordinary shares. Parent, a Bermuda exempted company, is an affiliate of certain investment funds managed by affiliates of Apollo Global Management, Inc., a leading global investment manager (collectively with its subsidiaries, "Apollo"). The Company's preference shares and depositary shares, as at the date of issuing this report, are listed on the New York Stock Exchange ("NYSE") under the following symbols: AHL PRD, AHL PRE and AHL PRF.

2. Basis of Presentation and Significant Accounting Policies

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the year ended December 31, 2025. The unaudited consolidated financial statements include the accounts of Aspen Holdings and its subsidiaries. Transactions between Aspen Holdings and its subsidiaries are eliminated within the unaudited consolidated financial statements.

The balance sheet as at December 31, 2024 has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These unaudited consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2024 contained in the Company's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on March 19, 2025 (File No. 001-31909).

Assumptions and estimates made by management have a significant impact on the amounts reported within the unaudited consolidated financial statements. The most significant of these assumptions and estimates relate to losses and loss adjustment expenses, reinsurance recoverables, gross written premiums and commissions which have not been reported to the Company such as those relating to proportional treaty reinsurance contracts, unrecognized tax benefits, the fair value of derivatives and the fair value of other and privately-held investments. All material assumptions and estimates are regularly reviewed and adjustments made as necessary, but actual results could differ significantly from those expected when the assumptions or estimates were made.

The consolidated financial statements have been prepared on a going concern basis.

3. Segment Reporting

The Company manages its underwriting operations as two business segments: Aspen Re and Aspen Insurance. The Company has determined its reportable segments by taking into account the manner in which the Company's chief operating decision maker ("CODM") makes operating decisions and assesses operating performance. The Company's CODM is the Group Executive Committee, which comprises global heads of key functions and other key business leads.

Profit or loss for each of the Company's business segments is measured by underwriting income or loss. Underwriting profit is the excess of net earned premiums over the sum of losses and loss expenses, acquisition costs and general and administrative expenses. Underwriting income or loss provides a basis for the CODM to evaluate the segment's underwriting performance.

Reinsurance Segment. The Reinsurance segment consists of property catastrophe reinsurance, other property reinsurance, casualty reinsurance and specialty reinsurance.

Insurance Segment. The Insurance segment consists of first party insurance, specialty insurance, casualty and liability insurance, financial and professional lines insurance, and other insurance. The other insurance business line includes Aspen Underwriting Limited's participation as a corporate member in Carbon Syndicate 4747, and the Company's digital follow capacity offered through Ki's Lloyd's platform.

Non-underwriting Disclosures. The Company provides additional disclosures for corporate and other (non-operating) income and expenses. Corporate and other income and expenses include: corporate expenses, non-operating expenses, net investment income, net realized and unrealized investment gains or losses, changes in fair value of derivatives, interest expenses, net realized and unrealized foreign exchange gains or losses, and income taxes. These income and expense items are not allocated to the Company's business segments as they are not directly related to the Company's business segment operations and is consistent with how the CODM measures the performance of the business segments. The Company does not allocate its assets by business segment as we evaluate underwriting results of each segment separately from the results of our investment portfolio.

The Company uses underwriting ratios as measures of performance. The loss ratio is the ratio of losses and loss adjustment expenses to net earned premiums. The acquisition cost ratio is the ratio of acquisition costs to net earned premiums. The general and administrative expense ratio is the ratio of general and administrative expenses to net earned premiums. The combined ratio is the sum of the loss ratio, the acquisition cost ratio and the general and administrative expense ratio.

The following tables provide a summary of gross and net written and earned premiums, underwriting income or loss, ratios and reserves for each of the Company's business segments for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025		
	Reinsurance	Insurance	Total
		($ in millions)	
Underwriting Revenues			
Gross written premiums	$ 600.7	$ 686.5	$ 1,287.2
Net written premiums	373.8	377.9	751.7
Gross earned premiums	444.9	675.6	1,120.5
Net earned premiums	299.0	403.7	702.7
Underwriting Expenses			
Losses and loss adjustment expenses	207.4	247.9	455.3
Acquisition costs	45.6	50.1	95.7
General and administrative expenses	50.0	74.5	124.5
Underwriting (loss)/income	(4.0)	31.2	27.2
Corporate and other expenses			(25.4)
Non-operating expenses			(8.3)
Net investment income			75.9
Realized and unrealized investment gains			10.5
Realized and unrealized investment losses			(10.8)
Change in fair value of derivatives			25.9
Interest expense			(9.1)
Net realized and unrealized foreign exchange losses			(38.8)
Income before income taxes			47.1
Income tax expense			(10.3)
Net income			$ 36.8
Net reserve for losses and loss adjustment expenses	$ 1,761.4	$ 2,459.1	$ 4,220.5
Ratios			
Loss ratio	69.4 %	61.4 %	64.8 %
Acquisition cost ratio	15.3	12.4	13.6
General and administrative expense ratio	16.7	18.5	17.7
Expense ratio	32.0	30.9	31.3
Combined ratio	101.4 %	92.3 %	96.1 %

	Three Months Ended March 31, 2024		
	Reinsurance	Insurance	Total
		($ in millions)	
Underwriting Revenues			
Gross written premiums	$ 614.4	$ 617.0	$ 1,231.4
Net written premiums	402.5	338.4	740.9
Gross earned premiums	414.2	602.8	1,017.0
Net earned premiums	304.7	361.0	665.7
Underwriting Expenses			
Losses and loss adjustment expenses	155.4	229.1	384.5
Acquisition costs	57.2	35.7	92.9
General and administrative expenses	36.6	62.2	98.8
Underwriting income	55.5	34.0	89.5
Corporate and other expenses			(25.7)
Non-operating expenses			(6.2)
Net investment income			76.8
Realized and unrealized investment gains			13.7
Realized and unrealized investment losses			(14.7)
Change in fair value of derivatives			(13.6)
Interest expense			(16.1)
Net realized and unrealized foreign exchange gains			22.7
Income before income taxes			126.4
Income tax expense			(14.6)
Net income			$ 111.8
Net reserve for losses and loss adjustment expenses	$ 1,424.4	$ 1,982.1	$ 3,406.5
Ratios			
Loss ratio	51.0 %	63.5 %	57.8 %
Acquisition cost ratio	18.8	9.9	14.0
General and administrative expense ratio	12.0	17.2	14.8
Expense ratio	30.8	27.1	28.8
Combined ratio	81.8 %	90.6 %	86.6 %

Geographical Areas. The following summary presents the Company's gross written premiums based on the location of the insured risk for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	March 31, 2024
	($ in millions)	
Australia/Asia	$ 35.0	$ 36.3
Europe	98.7	96.9
United Kingdom & Ireland	135.4	160.2
United States & Canada (1)	823.5	702.5
Worldwide excluding the United States (2)	12.7	13.4
Worldwide including the United States (3)	136.1	172.1
Other (4)	45.8	50.0
Total	$ 1,287.2	$ 1,231.4

(1) "United States & Canada" comprises individual policies that insure risks specifically in the United States and/or Canada, but not elsewhere.

(2) "Worldwide excluding the United States" consists of individual policies that insure global risks with the specific exclusion of the United States.

(3) "Worldwide including the United States" consists of individual policies that insure global risks with the specific inclusion of the United States.

(4) "Other" comprises individual policies that insure risks in other countries including, but not limited to, countries in the Caribbean, South America and the Middle East.

4. Investments

Income Statement

Net Investment Income. The following table summarizes net investment income for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	March 31, 2024
	($ in millions)	
Fixed income securities — Available for sale	$ 50.5	$ 35.5
Fixed income securities — Trading	17.9	24.6
Short-term investments — Available for sale	1.8	0.9
Short-term investments — Trading	0.1	0.1
Fixed term deposits (included in cash and cash equivalents)	8.5	11.5
Privately-held investments — Available for sale	0.3	0.2
Privately-held investments — Trading	5.3	11.3
Other investments, at fair value (1)	(5.1)	(3.7)
Total	79.3	80.4
Investment expenses	(3.4)	(3.6)
Net investment income	$ 75.9	$ 76.8

(1) Other investments primarily represent the Company's investments in investment funds and exchange-traded funds. The amount reported represents the change in fair value of the investment funds in the period.

The following table summarizes the net realized and unrealized investment gains and losses recorded in the consolidated statement of operations and the change in unrealized gains and losses on investments recorded in other comprehensive income for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	March 31, 2024
	($ in millions)	
Available for sale:		
Fixed income securities — gross realized gains	$ 1.2	$ 0.1
Fixed income securities — gross realized (losses)	(5.3)	(3.0)
Short-term investments — gross realized gains	0.9	—
Short-term investments — gross realized (losses)	(0.2)	(1.0)
Net change in expected credit (losses)	(0.4)	—
Trading:		
Fixed income securities — gross realized gains	0.2	0.1
Fixed income securities — gross realized (losses)	(0.5)	(0.9)
Fixed income securities — net unrealized gains	8.0	12.8
Short-term investments — gross realized (losses)	—	(0.2)
Privately-held investments — gross realized gains	0.1	0.5
Privately-held investments — gross realized (losses)	(0.2)	(0.3)
Privately-held investments — net unrealized (losses)	(2.2)	(9.3)
Investments, equity method:		
Gross unrealized gains in MVI	0.1	0.2
Other investments:		
Other investments - net unrealized (losses) (1)	(2.0)	—
Total net realized and unrealized investment (losses) recorded in the consolidated statement of operations	$ (0.3)	$ (1.0)
Change in available for sale net unrealized gains/(losses):		
Available for sale investments	$ 69.8	$ (26.7)
Income tax (expense)/benefit	(14.4)	2.6
Total change in net unrealized gains/(losses), net of taxes recorded in other comprehensive income	$ 55.4	$ (24.1)

(1) Other investments primarily represent the Company's investments in investment funds and exchange-traded funds. The amount reported represents the change in fair value of the exchange-traded funds in the period.

Balance Sheet

Fixed Income Securities, Short-term Investments and Privately-held Investments — Available for Sale. The following tables present the cost or amortized cost, gross unrealized gains and losses, and estimated fair value of available for sale investments in fixed income securities, short-term investments and privately-held investments as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
	($ in millions)				
Fixed income securities, available for sale					
U.S. government	$ 1,401.7	$ 16.7	$ (11.2)	$ —	$ 1,407.2
U.S. agency	7.5	—	(0.1)	—	7.4
Municipal	116.3	0.5	(0.7)	—	116.1
Corporate	2,197.4	17.6	(51.8)	(1.4)	2,161.8
Non-U.S. government-backed corporate	130.5	1.2	(1.5)	—	130.2
Non-U.S. government	296.1	2.4	(1.6)	—	296.9
Asset-backed	342.2	0.5	(1.4)	—	341.3
Agency commercial mortgage-backed	5.0	—	(0.5)	—	4.5
Agency residential mortgage-backed	691.7	2.1	(71.1)	—	622.7
Total fixed income securities, available for sale	5,188.4	41.0	(139.9)	(1.4)	5,088.1
Short-term investments, available for sale	139.6	—	—	—	139.6
Privately-held investments, available for sale					
Asset-backed securities	24.5	0.5	—	—	25.0
Total investments, available for sale	$ 5,352.5	$ 41.5	$ (139.9)	$ (1.4)	$ 5,252.7

	As at December 31, 2024				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
	($ in millions)				
Fixed income securities, available for sale					
U.S. government	$ 1,504.8	$ 1.5	$ (25.7)	$ —	$ 1,480.6
U.S. agency	7.5	—	(0.3)	—	7.2
Municipal	84.2	—	(1.9)	—	82.3
Corporate	2,045.3	8.5	(66.4)	(1.0)	1,986.4
Non-U.S. government-backed corporate	132.9	0.8	(2.4)	—	131.3
Non-U.S. government	248.2	1.0	(2.4)	—	246.8
Asset-backed	232.4	2.2	(0.1)	—	234.5
Agency commercial mortgage-backed	5.0	—	(0.6)	—	4.4
Agency residential mortgage-backed	600.8	—	(82.1)	—	518.7
Total fixed income securities, available for sale	4,861.1	14.0	(181.9)	(1.0)	4,692.2
Short-term investments, available for sale	261.9	—	—	—	261.9
Privately-held investments, available for sale					
Asset-backed securities	24.0	0.2	—	—	24.2
Total investments, available for sale	$ 5,147.0	$ 14.2	$ (181.9)	$ (1.0)	$ 4,978.3

Fixed Income Securities, Short-term Investments, Catastrophe Bonds and Privately-held Investments — Trading. The following tables present the cost or amortized cost, gross unrealized gains and losses, and estimated fair value of trading investments in fixed income securities, short-term investments, catastrophe bonds and privately-held investments as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	($ in millions)			
Fixed income securities, trading				
U.S. government	$ 252.5	$ 3.7	$ (0.8)	$ 255.4
Municipal	2.2	—	—	2.2
Corporate	149.3	0.7	(3.9)	146.1
High yield loans	110.1	0.2	(0.4)	109.9
Non-U.S. government-backed corporate	2.8	—	—	2.8
Non-U.S. government	25.0	0.6	—	25.6
Asset-backed	602.4	1.7	(4.4)	599.7
Agency mortgage-backed	33.2	0.1	(2.6)	30.7
Total fixed income securities, trading	1,177.5	7.0	(12.1)	1,172.4
Short-term investments, trading	19.1	—	—	19.1
Privately-held investments, trading				
Commercial mortgage loans	45.8	0.2	—	46.0
Middle market loans and other private debt	58.0	—	(3.5)	54.5
Asset-backed securities	126.1	0.2	(0.4)	125.9
Global corporate securities	4.4	—	—	4.4
Total privately-held investments, trading	234.3	0.4	(3.9)	230.8
Total investments, trading	$ 1,430.9	$ 7.4	$ (16.0)	$ 1,422.3

	As at December 31, 2024			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	($ in millions)			
Fixed income securities, trading				
U.S. government	$ 262.9	$ 0.6	$ (2.2)	$ 261.3
Municipal	1.6	—	—	1.6
Corporate	155.5	0.5	(4.9)	151.1
High yield loans	101.7	0.9	(0.2)	102.4
Non-U.S. government-backed corporate	2.8	—	—	2.8
Non-U.S. government	24.4	0.1	(0.1)	24.4
Asset-backed	624.6	4.1	(3.5)	625.2
Agency mortgage-backed	34.2	—	(3.1)	31.1
Total fixed income securities, trading	1,207.7	6.2	(14.0)	1,199.9
Short-term investments, trading	1.0	—	—	1.0
Catastrophe bonds, trading	1.0	—	—	1.0
Privately-held investments, trading				
Commercial mortgage loans	80.9	0.5	(1.7)	79.7
Middle market loans and other private debt	61.6	0.1	(0.7)	61.0
Asset-backed securities	126.7	0.9	—	127.6
Global corporate securities	18.8	—	(0.3)	18.5
Total privately-held investments, trading	288.0	1.5	(2.7)	286.8
Total investments, trading	$ 1,497.7	$ 7.7	$ (16.7)	$ 1,488.7

Catastrophe Bonds. The Company has invested in catastrophe bonds with a total value of $Nil as at March 31, 2025 (December 31, 2024 — $1.0 million). The bonds were either zero-coupon notes or received quarterly interest payments based on variable interest rates. The redemption value of the bonds adjust based on the occurrence or aggregate occurrence of a covered event, such as windstorms and earthquakes in the United States, Canada, the North Atlantic, South America, Europe, Japan or Australia. The catastrophe bonds matured during the three months ended March 31, 2025.

Privately-held Investments. The Company has invested in privately-held investments, which primarily include commercial mortgage loans of $46.0 million and middle market loans and other private debt of $54.5 million as at March 31, 2025 (December 31, 2024 — commercial mortgage loans of $79.7 million; middle market loans and other private debt of $61.0 million). Privately-held investments also includes investments in asset-backed securities and global corporate securities.

Commercial Mortgage Loans. The commercial mortgage loans are related to investments in properties including apartments, hotels, office and retail buildings, other commercial properties and industrial properties. The commercial mortgage loan portfolio is diversified by property type, geographic region and issuer to reduce risks. As part of our investment process, we evaluate factors such as size, property type, and security to determine that properties are performing at a consistent and acceptable level to secure the related debt.

Middle Market Loans and Other Private Debt. The middle market loans are investments in senior secured loan positions with full covenants, focused on the middle market in the U.S., Europe and the Caribbean. The other private debt consists of debt securities issued to private investment funds. The middle market loan and other private debt portfolio is diversified by industry type, geographic region and issuer to reduce risks. As part of our investment process, we evaluate factors such as size, industry and security to determine that loans are performing at a consistent and acceptable level to secure the related debt.

Asset-backed Securities. Asset-backed securities represent interests in underlying pools of diversified referenced assets that are collateralized and backed by future cash flows and these securities are performing.

Global Corporate Securities. The privately-held global corporate securities portfolio consists of debt securities issued by U.S. and foreign corporations.

Investments, Equity Method. In January 2015, the Company, along with seven other insurance companies, established a micro-insurance venture consortium and micro-insurance incubator ("MVI") domiciled in Bermuda. The MVI is a social impact organization that provides micro-insurance products to assist global emerging consumers. The investment is accounted for under the equity method and adjustments to the carrying value of this investment are made based on the Company's share of capital, including share of income and expenses.

On January 1, 2017, the Company purchased through its wholly-owned subsidiary, Aspen U.S. Holdings, Inc., a 49% share of Digital Risk Resources, LLC ("Digital Re"), a U.S.-based enterprise engaged in the business of developing, marketing and servicing turnkey information security and privacy liability insurance products for a total consideration of $2.3 million. During the year ended December 31, 2024, the Company sold its investment in Digital Re for no consideration.

On December 23, 2019, the Company committed $5.0 million as an equity investment in the holding company of a multi-line reinsurer. The strategy for the multi-line reinsurer is to combine a diversified reinsurance business, focused primarily on long-tailed lines of property and casualty business and, potentially to a lesser extent, life business, with a diversified investment strategy. During the period ending March 31, 2025, no capital was invested in the multi-line reinsurer (December 31, 2024 — $Nil) and the commitment has been fully funded.

The table below shows the Company's investments in MVI, Multi-Line Reinsurer and Digital Re for the three months ended March 31, 2025 and the twelve months ended December 31, 2024:

	MVI	Multi-Line Reinsurer	Digital Re	Total
	($ in millions)			
Opening undistributed value of investment as at January 1, 2025	$ 0.8	$ 6.5	$ —	$ 7.3
Unrealized gain for the period	0.1	—	—	0.1
Closing value of investment as at March 31, 2025	$ 0.9	$ 6.5	$ —	$ 7.4
Opening undistributed value of investment as at January 1, 2024	$ 1.0	$ 6.4	$ 0.2	$ 7.6
Unrealized (loss)/gain for the period	(0.2)	0.1	—	(0.1)
Realized (loss) for the period	—	—	(0.2)	(0.2)
Closing value of investments as at December 31, 2024	$ 0.8	$ 6.5	$ —	$ 7.3

Other Investments. On December 20, 2017, the Company committed, and during 2018 invested, $100.0 million as a limited partner to a real estate fund. As at March 31, 2025, the fair value of the fund is $107.5 million (December 31, 2024 — $111.7 million).

During 2020, the Company committed $10.5 million as a limited partner to a related party managed lending fund. The partnership was established to provide direct lending to large corporate borrowers. On April 1, 2021, the Company committed an additional $2.8 million to the fund. As at March 31, 2025, the fair value of the fund is $19.8 million (December 31, 2024 — $19.3 million) and the unfunded commitment is $Nil (December 31, 2024 — $0.2 million).

On April 1, 2021, the Company established pledge accounts with its custodian bank for the ability to obtain liquidity and funding services provided by a U.S. co-operative bank, which provides liquidity and funding to its insurance member institutions. As at March 31, 2025, the fair value of the Company's member shares in the bank is $2.0 million (December 31, 2024 — $2.0 million).

On September 30, 2021, the Company committed $20.0 million as a limited partner to a third-party managed real estate fund. The Partnership was established to make equity and equity related investments in multifamily and other commercial real estate properties located in the United States and its territories, with the goal of generating superior risk-adjusted returns. The partnership seeks to acquire commercial real estate assets including real estate assets (or interests therein) that may have management or operational problems and require improvements or lack sufficient capital, including mortgage loans and development or redevelopment properties. On April 1, 2022, the Company committed an additional $10.0 million to the fund. As at March 31, 2025, the fair value of the fund is $34.4 million (December 31, 2024 — $36.2 million) and the unfunded commitment is $0.9 million (December 31, 2024 — $0.9 million).

On April 1, 2022, the Company committed $30.0 million as a limited partner to a related party managed real estate fund. The partnership was established to pursue investment opportunities to acquire, recapitalize, restructure and reposition real estate assets, portfolios and companies primarily in the United States. As at March 31, 2025, the fair value of the fund is $16.3 million (December 31, 2024 — $19.3 million) and the unfunded commitment is $3.7 million (December 31, 2024 — $3.7 million).

On May 5, 2022, the Company committed $15.0 million as a limited partner to a third-party managed infrastructure fund. The partnership was established to make value added infrastructure investments in environmental services, transportation, communications and digital, energy/energy transition and other infrastructure sectors primarily in North America. As at March 31, 2025, the fair value of the fund is $13.3 million (December 31, 2024 — $12.9 million) and the unfunded commitment is $2.5 million (December 31, 2024 — $2.3 million).

On August 31, 2023, the Company committed £7.0 million as a limited partner to a third-party managed debt fund. The fund focuses on three core sectors: health and social care, affordable housing, and social infrastructure. The fund invests across the U.K., focusing on areas of poverty and deprivation. The fund provides fixed-rate loans typically backed by property assets. Borrowers are established, socially impactful organizations, with a history of profitable revenue generation. As at March 31, 2025, the fair value of the fund is $1.3 million (December 31, 2024 — $0.1 million) and the unfunded commitment is £6.0 million (December 31, 2024 — £6.8 million).

On September 30, 2023, the Company committed $55.0 million as a limited partner to a third-party managed energy fund. The fund invests in energy transition and climate solutions, accelerating growth and business transformation through flexible capital, enabling leading energy companies to build enterprises at scale that can deliver clean, reliable and affordable energy to help meet global needs. As at March 31, 2025 the fair value of the fund is $5.8 million (December 31, 2024 — $Nil) and the unfunded commitment is $49.6 million (December 31, 2024 — $55.0 million).

On August 1, 2024, the Company committed and invested $25.0 million as a limited partner to a third-party managed liquidity fund. The fund seeks to maximize total return, by investing in a portfolio of investment grade debt securities, both fixed and floating rate. As at March 31, 2025, the fair value of the fund is $26.0 million (December 31, 2024 — $25.7 million) and the unfunded commitment is $Nil (December 31, 2024 — $Nil).

On October 31, 2024, the Company converted one of its commercial mortgage loan investments to an equity interest in a joint venture. As at March 31, 2025, the carrying value of the investment is $40.0 million (December 31, 2024 — $40.0 million). This investment has no unfunded commitments.

As at March 31, 2025, the Company held investments in exchange-traded funds with a fair value of $38.0 million (December 31, 2024 — $Nil).

As at March 31, 2025, the aggregate current fair value of the other investments described above is $304.4 million (December 31, 2024 — $267.2 million).

For further information on the investment funds, refer to Note 13(a) in these consolidated financial statements, "Commitments and Contingent Liabilities."

Fixed Income Securities, Short-term Investments and Privately-held Investments — Available for Sale. The scheduled maturity distribution of the Company's available for sale securities as at March 31, 2025 and December 31, 2024 is set forth below. Actual maturities may differ from contractual maturities because issuers of securities may have the right to call or prepay obligations with or without call or prepayment penalties.

	As at March 31, 2025	
	Amortized Cost or Cost	Fair Value
	($ in millions)	
Due one year or less	$ 419.6	$ 418.2
Due after one year through five years	2,410.2	2,398.3
Due after five years through ten years	1,429.8	1,412.8
Due after ten years	29.5	29.9
	4,289.1	4,259.2
Agency commercial mortgage-backed	5.0	4.5
Agency residential mortgage-backed	691.7	622.7
Asset-backed	366.7	366.3
Total investments, available for sale	$ 5,352.5	$ 5,252.7

	As at December 31, 2024	
	Amortized Cost or Cost	Fair Value
	($ in millions)	
Due one year or less	$ 834.1	$ 831.2
Due after one year through five years	2,386.5	2,353.2
Due after five years through ten years	1,060.7	1,008.7
Due after ten years	3.5	3.4
	4,284.8	4,196.5
Agency commercial mortgage-backed	5.0	4.4
Agency residential mortgage-backed	600.8	518.7
Asset-backed	256.4	258.7
Total investments, available for sale	$ 5,147.0	$ 4,978.3

Guaranteed Investments. As at March 31, 2025 and December 31, 2024, the Company held no investments which are guaranteed by mono-line insurers, excluding those with explicit government guarantees. The Company's exposure to other third-party guaranteed debt is primarily to investments backed by non-U.S. government guaranteed issuers.

Gross Unrealized Losses, Available for Sale. The following tables summarize, by type of security, the aggregate fair value and gross unrealized loss by length of time the security has been in an unrealized loss position for the Company's available for sale portfolio as at March 31, 2025 and December 31, 2024:

	March 31, 2025						
	0-12 months		Over 12 months		Total		
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Securities
	($ in millions, except number of securities)						
Fixed income securities, available for sale							
U.S. government	$ 182.7	$ (3.3)	$ 157.7	$ (7.9)	$ 340.4	$ (11.2)	73
U.S. agency	—	—	7.3	(0.1)	7.3	(0.1)	1
Municipal	25.5	(0.1)	24.9	(0.6)	50.4	(0.7)	35
Corporate	265.9	(2.5)	630.1	(49.3)	896.0	(51.8)	502
Non-U.S. government-backed corporate	1.9	—	87.8	(1.5)	89.7	(1.5)	10
Non-U.S. government	52.2	(0.4)	60.8	(1.2)	113.0	(1.6)	34
Asset-backed	181.8	(1.4)	3.3	—	185.1	(1.4)	78
Agency commercial mortgage-backed	—	—	4.5	(0.5)	4.5	(0.5)	1
Agency residential mortgage-backed	70.7	(0.4)	351.7	(70.7)	422.4	(71.1)	193
Total fixed income securities, available for sale	$ 780.7	$ (8.1)	$ 1,328.1	$ (131.8)	$ 2,108.8	$ (139.9)	927

	December 31, 2024						
	0-12 months		Over 12 months		Total		
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Securities
	($ in millions, except number of securities)						
Fixed income securities, available for sale							
U.S. government	$ 718.1	$ (11.6)	$ 397.8	$ (14.1)	$ 1,115.9	$ (25.7)	137
U.S. agency	—	—	7.2	(0.3)	7.2	(0.3)	1
Municipal	33.6	(0.7)	45.4	(1.2)	79.0	(1.9)	47
Corporate	570.3	(6.8)	663.9	(59.6)	1,234.2	(66.4)	692
Non-U.S. government-backed corporate	5.8	—	91.1	(2.4)	96.9	(2.4)	12
Non-U.S. government	118.8	(0.9)	43.7	(1.5)	162.5	(2.4)	41
Asset-backed	17.2	(0.1)	—	—	17.2	(0.1)	14
Agency commercial mortgage-backed	—	—	4.5	(0.6)	4.5	(0.6)	1
Agency residential mortgage-backed	161.2	(2.2)	351.3	(79.9)	512.5	(82.1)	225
Total fixed income securities, available for sale	$ 1,625.0	$ (22.3)	$ 1,604.9	$ (159.6)	$ 3,229.9	$ (181.9)	1,170

At March 31, 2025, 927 available for sale securities were in an unrealized loss position of $139.9 million, of which $0.9 million was related to securities below investment grade or not rated. At December 31, 2024, 1,170 available for sale securities were in an unrealized loss position of $181.9 million, of which $0.3 million was related to securities below investment grade or not rated.

The unrealized losses of $139.9 million at March 31, 2025 were due to non-credit factors and are expected to be recovered as the related securities approach maturity. The Company does not intend to sell the securities in an unrealized loss position and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases.

5. Fair Value Measurements

The Company's estimates of fair value for financial assets and liabilities are based on the framework established in the fair value accounting guidance included in ASC Topic 820, "*Fair Value Measurements and Disclosures*." The framework prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels.

The Company considers prices for actively traded securities to be derived based on quoted prices in an active market for identical assets, which are Level 1 inputs in the fair value hierarchy. The majority of these securities are valued using prices supplied by pricing services.

The Company considers prices for other securities that may not be as actively traded which are priced via pricing services, vendors and broker-dealers, or with reference to interest rates and yield curves, to be derived based on inputs that are observable for the asset, either directly or indirectly, which are Level 2 inputs in the fair value hierarchy. The majority of these securities are also valued using prices supplied by pricing services.

The Company considers securities, other financial instruments, privately-held investments and derivative insurance contracts subject to fair value measurement whose valuation is derived by internal valuation models to be based largely on unobservable inputs, which are Level 3 inputs in the fair value hierarchy.

The following tables present the level within the fair value hierarchy at which the Company's financial assets and liabilities are measured on a recurring basis as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025				
	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
			($ in millions)		
Fixed income securities, available for sale					
U.S. government	$ 1,407.2	$ —	$ —	$ —	$ 1,407.2
U.S. agency	—	7.4	—	—	7.4
Municipal	—	116.1	—	—	116.1
Corporate	—	2,161.8	—	—	2,161.8
Non-U.S. government-backed corporate	—	130.2	—	—	130.2
Non-U.S. government	238.7	58.2	—	—	296.9
Asset-backed	—	341.3	—	—	341.3
Agency commercial mortgage-backed	—	4.5	—	—	4.5
Agency residential mortgage-backed	—	622.7	—	—	622.7
Total fixed income securities, available for sale	1,645.9	3,442.2	—	—	5,088.1
Short-term investments, available for sale	139.5	0.1	—	—	139.6
Privately-held investments, available for sale	—	—	25.0	—	25.0
Fixed income securities, trading					
U.S. government	255.4	—	—	—	255.4
Municipal	—	2.2	—	—	2.2
Corporate	—	146.1	—	—	146.1
Non-U.S. government-backed corporate	—	2.8	—	—	2.8
High yield loans	—	109.9	—	—	109.9
Non-U.S. government	9.8	15.8	—	—	25.6
Asset-backed	—	599.7	—	—	599.7
Agency mortgage-backed	—	30.7	—	—	30.7
Total fixed income securities, trading	265.2	907.2	—	—	1,172.4
Short-term investments, trading	19.1	—	—	—	19.1
Privately-held investments, trading	—	—	230.8	—	230.8
Other investments	38.0	—	—	266.4	304.4
Other financial assets and liabilities					
Derivative assets — foreign exchange contracts	—	19.2	—	—	19.2
Derivative liabilities — foreign exchange contracts	—	(2.8)	—	—	(2.8)
Derivative liabilities — loss portfolio transfer [(1)]	—	—	(1.2)	—	(1.2)
Total	$ 2,107.7	$ 4,365.9	$ 254.6	266.4	$ 6,994.6

(1) The loss portfolio transfer contract includes a funds withheld arrangement that provides variable interest expense based on Aspen's investment performance. As a result, the funds withheld arrangement is considered an embedded derivative and accounted for as an option-based derivative.

	As at December 31, 2024				
	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
			($ in millions)		
Fixed income securities, available for sale					
U.S. government	$ 1,480.6	$ —	$ —	$ —	$ 1,480.6
U.S. agency	—	7.2	—	—	7.2
Municipal	—	82.3	—	—	82.3
Corporate	—	1,986.4	—	—	1,986.4
Non-U.S. government-backed corporate	—	131.3	—	—	131.3
Non-U.S. government	195.1	51.7	—	—	246.8
Asset-backed	—	234.5	—	—	234.5
Agency commercial mortgage-backed	—	4.4	—	—	4.4
Agency residential mortgage-backed	—	518.7	—	—	518.7
Total fixed income securities, available for sale	1,675.7	3,016.5	—	—	4,692.2
Short-term investments, available for sale	260.2	1.7	—	—	261.9
Privately-held investments, available for sale	—	—	24.2	—	24.2
Fixed income securities, trading					
U.S. government	261.3	—	—	—	261.3
Municipal	—	1.6	—	—	1.6
Corporate	—	151.1	—	—	151.1
Non-U.S. government-backed corporate	—	2.8	—	—	2.8
High yield loans	—	102.4	—	—	102.4
Non-U.S. government	9.6	14.8	—	—	24.4
Asset-backed	—	625.2	—	—	625.2
Agency mortgage-backed	—	31.1	—	—	31.1
Total fixed income securities, trading	270.9	929.0	—	—	1,199.9
Short-term investments, trading	1.0	—	—	—	1.0
Catastrophe bonds, trading	—	1	—	—	1.0
Privately-held investments, trading	—	—	286.8	—	286.8
Other investments	—	—	—	267.2	267.2
Other financial assets and liabilities					
Derivative assets — foreign exchange contracts	—	17.0	—	—	17.0
Derivative liabilities — foreign exchange contracts	—	(45.9)	—	—	(45.9)
Derivative liabilities — loss portfolio transfer [(1)]	—	—	(3.6)	—	(3.6)
Total	$ 2,207.8	$ 3,919.3	$ 307.4	$ 267.2	$ 6,701.7

(1) The loss portfolio transfer contract includes a funds withheld arrangement that provides variable interest expense based on Aspen's investment performance. As a result, the funds withheld arrangement is considered an embedded derivative and accounted for as an option-based derivative.

Transfers of assets into or out of a particular level are recorded at their fair values as of the end of each reporting period consistent with the date of the determination of fair value. During the three months ended March 31, 2025, $Nil was transferred in or out of Level 3 (March 31, 2024 — $Nil).

The following table presents a reconciliation of the beginning and ending balances for all assets and liabilities measured at fair value on a recurring basis using Level 3 inputs for the three months ended March 31, 2025 and 2024:

Three Months Ended March 31, 2025	Balance at beginning of year	Purchases and issuances	Transfers in	Transfers (out)	Settlements and sales	(Decrease) /increase in fair value included in net income (1) / OCI (2)	Balance at end of period	Change in unrealized gains (losses) relating to assets held at end of period (1) (2)
Assets								
Privately-held investments, available for sale								
Asset-backed securities	$ 24.2	$ —	$ —	$ —	$ —	$ 0.8	$ 25.0	$ 0.8
Privately-held investments, trading								
Commercial mortgage loans	$ 79.7	$ 0.1	$ —	$ —	$ (35.5)	$ 1.7	$ 46.0	$ 1.5
Middle market loans and other private debt	61.0	0.4	—	—	(4.1)	(2.8)	54.5	—
Asset-backed securities	127.6	1.3	—	—	(1.8)	(1.2)	125.9	(1.2)
Global corporate securities	18.5	—	—	—	(14.3)	0.2	4.4	—
Total Level 3 assets	$ 311.0	$ 1.8	$ —	$ —	$ (55.7)	$ (1.3)	$ 255.8	$ 1.1
Liabilities								
Derivative liabilities — loss portfolio transfer	$ (3.6)	$ —	$ —	$ —	$ —	$ 2.4	$ (1.2)	$ 2.4
Total Level 3 liabilities	$ (3.6)	$ —	$ —	$ —	$ —	$ 2.4	$ (1.2)	$ 2.4
Three Months Ended March 31, 2024								
Assets								
Privately-held investments, available for sale								
Asset-backed securities	$ 14.9	$ —	$ —	$ —	$ —	$ 0.2	$ 15.1	$ 0.5
Privately-held investments, trading								
Commercial mortgage loans	$ 274.9	$ 0.2	$ —	$ —	$ (6.7)	$ (9.9)	$ 258.5	$ (15.1)
Middle market loans and other private debt	84.8	—	—	—	(14.9)	0.2	70.1	(0.2)
Asset-backed securities	82.9	4.0	—	—	(2.5)	(0.3)	84.1	(0.3)
Global corporate securities	14.4	—	—	—	(0.1)	—	14.3	(0.1)
Short-term investments	18.0	—	—	—	—	—	18.0	—
Total Level 3 assets	$ 489.9	$ 4.2	$ —	$ —	$ (24.2)	$ (9.8)	$ 460.1	$ (15.2)
Liabilities								
Derivative liabilities — loss portfolio transfer	$ (16.5)	$ —	$ —	$ —	$ —	$ 3.9	$ (12.6)	$ 3.9
Total Level 3 liabilities	$ (16.5)	$ —	$ —	$ —	$ —	$ 3.9	$ (12.6)	$ 3.9

(1) (Decreases)/increases in the fair value of privately-held investments, trading are included in realized and unrealized investment losses in the consolidated statements of operations and other comprehensive (loss). Increases/(decreases) in the fair value of derivative liabilities - loss portfolio transfer are included within change in fair value of derivatives in the consolidated statements of operations and other comprehensive income/(loss).

(2) (Decreases)/increases in the fair value of privately-held investments, available for sale are included in other comprehensive income/(loss) ("OCI").

Valuation of Fixed Income Securities. The Company's fixed income securities are classified as either available for sale or trading and are reported at fair value. As at March 31, 2025 and December 31, 2024, the Company's fixed income securities were valued by pricing services or broker-dealers using standard market conventions. The market conventions utilize market quotations, market transactions in comparable instruments and various relationships between instruments including, but not limited to, yield to maturity, dollar prices and spread prices in determining value.

Independent Pricing Services. The underlying methodology used to determine the fair value of securities in the Company's available for sale and trading portfolios is by the pricing services. Pricing services will gather observable pricing inputs from multiple external sources, including buy and sell-side contacts and broker-dealers, in order to develop their internal prices.

Pricing services provide pricing for less complex, liquid securities based on market quotations in active markets. Pricing services supply prices for a broad range of securities including those for actively traded securities, such as Treasury and other Government securities, in addition to those that trade less frequently or where valuation includes reference to credit spreads, pay down and pre-pay features and other observable inputs. These securities include Government agency, municipals, corporate and asset-backed securities.

For securities that may trade less frequently or do not trade on a listed exchange, these pricing services may use matrix pricing consisting of observable market inputs to estimate the fair value of a security. These observable market inputs include reported trades, benchmark yields, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, and industry and economic factors. Additionally, pricing services may use a valuation model such as an option adjusted spread model commonly used for estimating fair values of mortgage-backed and asset-backed securities. The Company does not derive dollar prices using an index as a pricing input for any individual security.

Broker-Dealers. The Company obtains quotes from broker-dealers who are active in the corresponding markets when prices are unavailable from independent pricing services or index providers. Generally, broker-dealers value securities through their trading desks based on observable market inputs. Their pricing methodologies include mapping securities based on trade data, bids or offers, observed spreads and performance of newly issued securities. They may also establish pricing through observing secondary trading of similar securities. Quotes from broker-dealers are non-binding.

The Company obtains prices for all of its fixed income investment securities via its third-party accounting service provider, and in the majority of cases receiving a number of quotes so as to obtain the most comprehensive information available to determine a security's fair value. A single valuation is applied to each security based on the vendor hierarchy maintained by the Company's third-party accounting service provider.

As at March 31, 2025, the Company obtained an average of 3.0 quotes per fixed income investment compared to 3.0 quotes at December 31, 2024.

The Company, in conjunction with its third-party accounting service provider, obtains an understanding of the methods, models and inputs used by the third-party pricing service and index providers to assess the ongoing appropriateness of vendors' prices. The Company and its third-party accounting service provider also have controls in place to validate that amounts provided represent fair values. Processes to validate and review pricing include, but are not limited to:

- quantitative analysis (e.g., comparing the quarterly return for each managed portfolio to its target benchmark, with significant differences identified and investigated);
- comparison of market values obtained from pricing services and broker-dealers against alternative price sources for each security where further investigation is completed when significant differences exist for pricing of individual securities between pricing sources;
- initial and ongoing evaluation of methodologies used by outside parties to calculate fair value; and
- comparison of the fair value estimates to the Company's knowledge of the current market.

Prices obtained from pricing services and broker-dealers are not adjusted by us; however, prices provided by a pricing service, or broker-dealer in certain instances may be challenged based on market or information available from internal sources, including those available to the Company's third-party investment accounting service provider. Subsequent to any challenge, revisions made by the pricing service or broker-dealer to the quotes are supplied to the Company's investment accounting service provider.

Management reviews the vendor hierarchy maintained by the Company's third-party accounting service provider in order to determine which price source provides the most appropriate fair value (i.e., a price obtained from a pricing service with more seniority in the hierarchy will be used over a less senior one in all cases). The hierarchy level assigned to each security in the Company's available for sale and trading portfolios is based upon its assessment of the transparency and reliability of the inputs used in the valuation as of the measurement date. The hierarchy of pricing services is determined using various qualitative and quantitative points arising from reviews of the vendors conducted by the Company's third-party accounting service provider. Vendor reviews include annual due diligence meetings with index providers and pricing services vendors covering valuation methodology, operational walkthroughs and legal and compliance updates.

Fixed Income Securities. Fixed income securities are traded on the over-the-counter ("OTC") market based on prices provided by one or more market makers in each security. Securities such as U.S. Government, U.S. Agency, Non-U.S. Government and investment grade corporate bonds have multiple market makers in addition to readily observable market value indicators such as expected credit spread, except for Treasury securities, over the yield curve. The Company uses a variety of pricing sources to value fixed income securities including those securities that have pay down/prepay features such as mortgage-backed securities and asset-backed securities in order to ensure fair and accurate pricing. The fair value estimates for the investment grade securities in the Company's portfolio do not use significant unobservable inputs or modeling techniques.

U.S. Government and Agency Securities. U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and corporate debt issued by agencies such as the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal Home Loan Bank. As the fair values of U.S. Treasury securities are based on unadjusted market prices in active markets, they are classified within Level 1. The fair values of U.S. government agency securities are priced using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. government agency securities are classified within Level 2.

Municipal Securities. The Company's municipal portfolio consists of bonds issued by U.S. domiciled state and municipality entities. The fair value of these securities is determined using spreads obtained from broker-dealers, trade prices and the new issue market which are Level 2 inputs in the fair value hierarchy. Consequently, these securities are classified within Level 2.

Non-U.S. Government. The issuers for securities in this category are non-U.S. governments and their agents including, but not limited to, the U.K., Australia, Canada, France and Germany. The fair values of certain non-U.S. government bonds, primarily sourced from international indices, are based on unadjusted market prices in active markets and are therefore classified within Level 1. The remaining non-U.S. government bonds are classified within Level 2 as they are not actively traded. The fair values of the non-U.S. agency securities, again primarily sourced from international indices, are priced using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of non-U.S. agency securities are classified within Level 2. In addition, foreign government securities include a portion of the Emerging Market Debt ("EMD") portfolio which is also classified within Level 2.

Corporate. Corporate securities consist primarily of short-term, medium-term and long-term debt issued by U.S. and foreign corporations covering a variety of industries and are generally priced by index providers and pricing vendors. Some issuers may participate in government programs which guarantee timely payment of principal and interest in the event of a default. The fair values of these securities are generally determined using the spread above the risk-free yield curve. Inputs used in the evaluation of these securities include credit data, interest rate data, market observations and sector news, broker-dealer quotes and trade volumes. In addition, corporate securities include a portion of the EMD portfolio. The Company classifies these securities within Level 2.

Mortgage-backed Securities. Residential and commercial mortgage-backed securities consist of bonds issued by the Government National Mortgage Association, the FNMA and the FHLMC. The fair values of these securities are determined through the use of a pricing model (including Option Adjusted Spread) which uses prepayment speeds and spreads to determine the appropriate average life of the mortgage-backed security. These spreads are generally obtained from broker-dealers, trade prices and the new issue market. As the significant inputs used to price mortgage-backed securities are observable market inputs, these securities are classified within Level 2.

Asset-backed Securities. Asset-backed securities are securities backed by notes or receivables against assets other than real estate. The underlying collateral for the Company's asset-backed securities consists mainly of student loans, automobile loans and credit card receivables. These securities are primarily priced by index providers and pricing vendors. Inputs to the valuation process include broker-dealer quotes and other available trade information, prepayment speeds, interest rate data and credit spreads. The Company classifies these securities within Level 2.

Short-term Investments. Short-term investments consist of highly liquid debt securities with a maturity greater than three months but less than one year from the date of purchase. Short-term investments are classified as either trading or available for sale according to the facts and circumstances of the investment held. Short-term investments are valued in a manner similar to the Company's fixed maturity investments and are classified within Levels 1 and 2.

Privately-held Investments. Privately-held investments are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models. These models include inputs that are specific to each investment. The inputs used in the fair value measurements include dividend or interest rates and appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of these securities. A significant increase (decrease) in this input in isolation could result in significantly lower (higher) fair value measurement for privately-held investments. In order to assess the reasonableness of the inputs the Company uses in the discounted cash flow models, the Company maintains an understanding of current market conditions, issuer specific information that may impact future cash flows as well as collaboration with independent vendors for most securities to assess the reasonableness of the discount rate being used.

Commercial Mortgage Loans. Commercial mortgage loans consist of investments in properties including apartments, hotels, office and retail buildings, other commercial properties and industrial properties. The commercial mortgage loan portfolio is diversified by property type, geographic region and issuer to reduce risks. Commercial Mortgage Loans are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models and are classified within Level 3.

Middle Market Loans and Other Private Debt. The middle market loans consist of investments in senior secured loan positions with full covenants, focused on the middle market in the U.S., Europe and the Caribbean. The other private debt consists of debt securities issued to private investment funds. The middle market loan and other private debt portfolio is diversified by industry type, geographic region and issuer to reduce risks. Middle market loans and other private debt are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models. In the event that the cash flows are negative or indeterminable, the fair values of these securities are determined using the recovery approach. Consequently, these securities are classified within Level 3.

Asset-backed Securities. Asset-backed securities represent interests in underlying pools of diversified referenced assets that are collateralized and backed by future cash flows and these securities are performing. Asset-backed securities are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models and are classified within Level 3.

Global Corporate Securities. The global corporate securities portfolio consists of debt securities issued by U.S. and foreign corporations. The global corporate securities are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models and are classified within Level 3.

Short-term Investments — Privately-held. Short-term investments which are classified as privately-held consist of debt securities with a maturity greater than three months but less than one year from the debt of purchase. Short-term investments are initially valued at cost or transaction value which approximates fair value. In subsequent measurement periods, the fair values of these securities are determined using discounted cash flow models and are classified within Level 3.

The following table summarizes the quantitative inputs and assumptions used for financial assets categorized within Level 3 under the fair value hierarchy as at March 31, 2025:

As at March 31, 2025	Fair Value Level 3	Valuation Techniques	Unobservable Inputs	Ranges			Weighted Average
	($ in millions)						
Privately-held investments, available for sale							
Asset-backed securities	$ 25.0	Discounted cash flow	Discount rate	5.3%	–	9.1%	6.8%
Privately-held investments, trading							
Commercial mortgage loans	46.0	Discounted cash flow	Discount rate	3.3%	–	11.9%	4.0%
Middle market loans and other private debt	47.8	Discounted cash flow	Discount rate	6.9%	–	18.0%	9.7%
Middle market loans and other private debt	6.7	Recovery approach	n/a	n/a	–	n/a	n/a
Asset-backed securities	125.9	Discounted cash flow	Discount rate	5.2%	–	8.3%	7.1%
Corporate securities	4.4	Discounted cash flow	Discount rate	5.4%		5.4%	5.4%
Total	$ 255.8						

Catastrophe Bonds. Catastrophe bonds are variable rate fixed income instruments with redemption values adjusted based on the occurrence of a covered event, usually windstorms and earthquakes. Catastrophe bonds are classified as trading and reported at fair value. Catastrophe bonds are priced using an average of multiple broker-dealer quotes and as such, are classified within Level 2.

Foreign Exchange Contracts. The foreign exchange contracts which the Company uses to mitigate currency risk are characterized as OTC due to their customized nature and the fact that they do not trade on a major exchange. These instruments trade in a very deep liquid market, providing substantial price transparency and accordingly are classified within Level 2.

Derivative Liabilities - Loss Portfolio Transfer. The LPT embedded derivative is valued using the Black-Scholes model. The two primary inputs of this model are expected claim settlement patterns and expected return of the investment portfolio above a fixed minimum rate over the specified time horizon. The expected claim settlement pattern is determined on an actuarial basis for the cohort of business within scope of the LPT and is consistent with the patterns used in the valuation of technical provisions. The expected return of the investment portfolio, above a fixed minimum rate, directly impacts on the LPT derivative valuation and is subject to changes in the market conditions. In order to assess the reasonableness of the inputs, the Company updates the expected claim settlement patterns on a regular basis while maintaining an understanding of the current market conditions. The LPT embedded derivative is classified within Level 3.

Other Investments. The Company's other investments represent primarily our investments in investment funds operating strategies across real estate, infrastructure and direct lending, as well as our investments in exchange-traded funds. As the fair values of the exchange-traded funds are based on unadjusted market prices in active markets, they are classified within Level 1. Adjustments to the fair values of the investment funds are made based on the net asset value of the investments. The net valuation criteria established by the manager of such investments are established in accordance with the governing documents and the asset manager's valuation guidelines, which include: the discounted cash flows method and the performance multiple approach, which uses a multiple derived from market data of comparable companies or assets to produce operating performance metrics. Alternative valuation methodologies may be employed for investments with unusual characteristics. As the Company is measuring the fair value of these investment funds using the net asset value per share as a practical expedient, they have not been classified in the fair value hierarchy.

6. Reinsurance

The Company purchases retrocession and reinsurance to limit and diversify the Company's risk exposure and to increase its own insurance and reinsurance underwriting capacity. These agreements provide for recovery of losses and loss adjustment expenses from reinsurers. The Company remains liable to the extent that reinsurers do not meet their obligations under these agreements. In line with its risk management objectives, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk.

Balances pertaining to reinsurance transactions are reported "gross" on the consolidated balance sheet, meaning that reinsurance recoverable on unpaid losses and ceded unearned premiums are not deducted from insurance reserves but are recorded as assets.

The effect of assumed and ceded reinsurance on premiums written, premiums earned and losses and loss adjustment expenses for the three months ended March 31, 2025 and 2024 was as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	($ in millions)	
Premiums written:		
Insurance	$ 686.5	$ 617.0
Reinsurance	600.7	614.4
Ceded	(535.5)	(490.5)
Net written premiums	$ 751.7	$ 740.9
Premiums earned:		
Insurance	$ 675.6	$ 602.8
Reinsurance	444.9	414.2
Ceded	(417.8)	(351.3)
Net earned premiums	$ 702.7	$ 665.7
Losses and loss adjustment expenses:		
Insurance	$ 468.0	$ 353.3
Reinsurance	335.5	189.8
Ceded	(348.2)	(158.6)
Losses and loss adjustment expenses	$ 455.3	$ 384.5

7. Derivative Contracts

The following table summarizes information on the location and amounts of derivative fair values on the consolidated balance sheet as at March 31, 2025 and December 31, 2024:

		As at March 31, 2025		As at December 31, 2024	
Derivatives Not Designated as Hedging Instruments Under ASC 815	**Balance Sheet Location**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
		($ in millions)		($ in millions)	
Foreign Exchange Contracts	Derivative assets	$ 1,232.7	$ 19.2	$ 550.0	$ 17.0
Foreign Exchange Contracts [1]	Derivative liabilities	$ 229.4	$ (1.8)	$ 1,036.9	$ (41.7)
Loss Portfolio Transfer Liability - Embedded Derivative [2]	Derivative liabilities	$ —	$ (1.2)	$ —	$ (3.6)

(1) Fair value is net of $0.8 million of cash collateral (December 31, 2024 — $0.8 million).

(2) The LPT contains an embedded derivative within the contract in relation to the variable interest crediting rate.

		As at March 31, 2025		As at December 31, 2024	
Derivatives Designated as Cash Flow Hedges Under ASC 815	**Balance Sheet Location**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
		($ in millions)		($ in millions)	
Foreign Exchange Contracts [1]	Derivative liabilities	$ 118.5	$ (1.0)	$ 158.0	$ (4.2)

(1) Fair value is net of $Nil of cash collateral (December 31, 2024 — $2.0 million).

The following table provides the unrealized and realized gains/(losses) recorded in the consolidated statements of operations and other comprehensive income for derivatives that are not designated or designated as hedging instruments under ASC 815 — "*Derivatives and Hedging*" for the three months ended March 31, 2025 and 2024:

	Location of Gain/(Loss) Recognized on Derivatives	Amount of Gain/(Loss) Recognized on Derivatives For the Three Months Ended March 31, 2025	March 31, 2024
Derivatives not designated as hedges		($ in millions)	
Foreign Exchange Contracts	Change in Fair Value of Derivatives	$ 23.5	$ (17.5)
Loss Portfolio Transfer Liability - Embedded Derivative	Change in Fair Value of Derivatives	$ 2.4	$ 3.9
Derivatives designated as cash flow hedges			
Foreign Exchange Contracts	General, administrative and corporate expenses in consolidated statement of operations	$ (0.8)	$ —
Foreign Exchange Contracts	Net change gross of tax from current period hedged transactions in other comprehensive income	$ 5.2	$ (0.5)

Foreign Exchange Contracts. The Company uses foreign exchange contracts to manage foreign currency risk associated with our operating expenses but also foreign exchange risk associated with net assets or liabilities in currencies other than the U.S. dollar. A foreign exchange contract involves an obligation to purchase or sell a specified currency at a future date at a price set at the time of the contract. Foreign exchange contracts will not eliminate fluctuations in the value of the Company's assets and liabilities denominated in foreign currencies but rather allow it to establish a rate of exchange for a future point in time.

As at March 31, 2025, the Company held foreign exchange contracts that were not designated as hedges under ASC 815 with an aggregate notional amount of $1,462.1 million (December 31, 2024 — $1,586.9 million). The foreign exchange contracts are recorded as derivative assets or derivative liabilities in the consolidated balance sheet with changes recorded as a change in fair value of derivatives in the consolidated statement of operations. For the three months ended March 31, 2025, the impact of foreign exchange contracts on net income was a gain of $23.5 million (March 31, 2024 — loss of $17.5 million).

As at March 31, 2025, the Company held foreign exchange contracts that were designated as cash flow hedges under ASC 815 with an aggregate notional amount of $118.5 million (December 31, 2024 — $158.0 million). The foreign exchange contracts are recorded as derivative assets or derivative liabilities in the consolidated balance sheet with the changes in fair value recorded in other comprehensive income. For the three months ended March 31, 2025 the company recognized a gain of $5.2 million (March 31, 2024 — loss of $0.5 million) in other comprehensive income.

As the foreign exchange contracts settle, the realized gain or loss is reclassified from other comprehensive income into general, administrative and corporate expenses in the consolidated statement of operations. For the three months ended March 31, 2025, the amount recognized within general, administrative and corporate expenses for settled foreign exchange contracts was a realized loss of $0.8 million (March 31, 2024 — $Nil). The Company estimates that $1.0 million of the existing losses as at March 31, 2025 is expected to be reclassified into earnings within the next 12 months.

Embedded derivative on loss portfolio contract. The loss portfolio transfer contract includes a funds withheld arrangement that provides returns to the reinsurer based on Aspen's investment performance, guaranteeing a minimum of 1.75% return. Such funds withheld arrangements are examples of embedded derivatives and therefore this instrument is accounted for as an option-based derivative. For the three months ended March 31, 2025, the amount recognized as a change in fair value of derivatives in the consolidated statement of operations is a gain of $2.4 million (March 31, 2024 — gain of $3.9 million).

8. Reserve for Losses and Loss Adjustment Expenses

The following table represents a reconciliation of beginning and ending consolidated reserve for losses and loss adjustment expenses for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	($ in millions)	
Reserve for losses and LAE at the start of the year	$ 8,122.6	$ 7,810.6
Less reinsurance recoverable	(4,172.0)	(4,577.8)
Net reserve for losses and LAE at the start of the year	3,950.6	3,232.8
Movement in net reserve for losses and LAE for claims incurred:		
Current year	455.3	383.1
Prior years	—	1.4
Total incurred	455.3	384.5
Net Losses and LAE payments for claims incurred:		
Current year	(44.5)	(4.3)
Prior years	(170.4)	(183.0)
Total paid	(214.9)	(187.3)
Foreign exchange losses/(gains)	29.5	(23.5)
Net reserve for losses and LAE at the end of the year	4,220.5	3,406.5
Plus reinsurance recoverable on unpaid losses at the end of the year	4,228.4	4,389.5
Reserve for losses and LAE at the end of the year	$ 8,448.9	$ 7,796.0

For the three months ended March 31, 2025, there was no change in the Company's estimate of the ultimate claims to be paid in respect of prior accident years compared to an increase of $1.4 million for the three months ended March 31, 2024.

9. Capital Structure

The following table provides a summary of the Company's authorized and issued share capital as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025		As at December 31, 2024	
	Number	$ in Thousands	Number	$ in Thousands
Authorized share capital:				
Class A ordinary shares $0.001 per share (2024 — $0.001 per share)	750,000,000	$ 750	750,000,000	$ 750
Preference Shares $0.0015144558 per share	150,000,000	227	150,000,000	227
Total authorized share capital		$ 977		$ 977
Issued share capital:				
Issued Class A ordinary shares $0.001 par value per share (2024 — $0.001 par value per share)	90,833,333	$ 91	90,833,333	$ 91
Issued 5.950% preference shares of $0.0015144558 par value per share each with a liquidation preference of $25 per preference share	—	—	11,000,000	17
Issued 5.625% preference shares of $0.0015144558 par value per share each with a liquidation preference of $25 per preference share	10,000,000	15	10,000,000	15
Issued 5.625% preference shares of $0.0015144558 par value per share represented by depositary shares, each with a liquidation preference of $25,000 per preference share (1)	10,000	—	10,000	—
Issued 7.000% preference shares of $0.0015144558 par value per share represented by depositary shares, each with a liquidation preference of $25,000 per preference share (2)	9,000	—	9,000	—
Total issued share capital		$ 106		$ 123

(1) Each depositary share represents a 1/1000th interest in a share of the 5.625% preference shares.

(2) Each depositary share represents a 1/1000th interest in a share of the 7.000% preference shares.

(a) Ordinary Shares

Issued Ordinary Shares. On March 30, 2025, the Company's Board of Directors approved the exchange of all of the Company's previously issued and outstanding shares, par value $0.01 per share ("Previous Ordinary Shares"), owned by the Company's Parent, for 90,833,333 Class A ordinary shares, par value $0.001 ("Class A Ordinary Shares"). In connection with the Ordinary Share Exchange, the Previous Ordinary Shares were cancelled. The Class A Ordinary Shares have the same voting and economic rights as the Previous Ordinary Shares other than par value. Share and per share information included in the accompanying consolidated financial statements and notes to the consolidated financial statements have been retroactively adjusted to reflect the Ordinary Share Exchange for all periods presented.

(b) Preference Shares

Preference Shares Issuance. On May 2, 2013, the Company issued 11,000,000 5.950% Fixed-to-Floating Rate Perpetual Non-Cumulative Preference Shares, with a liquidation preference of $25 per share (the "AHL PRC Shares"). Net proceeds were $270.6 million, consisting of $275.0 million of total liquidation preference less $4.4 million of issuance expenses. See further information below under "AHL PRC Shares Redemption."

On September 20, 2016, the Company issued 10,000,000 shares of 5.625% Perpetual Non-Cumulative Preference Shares (the "AHL PRD Shares"). The 2016 Preference Shares have a liquidation preference of $25 per share. Net proceeds were $241.3 million, consisting of $250.0 million of total liquidation preference less $8.7 million of issuance expenses. The AHL PRD Shares are listed on the NYSE under the symbol "AHL PRD."

On August 13, 2019, the Company issued 10,000,000 depositary shares, each of which represents 1/1000th interest in a share of the newly designated 5.625% Perpetual Non-Cumulative Preference Shares. The depositary shares have a liquidation preference of $25 per share. Net proceeds were $241.6 million, comprising $250.0 million of total liquidation preference less $8.4 million of issuance expenses. The depositary shares are listed on the NYSE under the symbol "AHL PRE."

On November 26, 2024, the Company issued 9,000,000 depositary shares, each of which represents 1/1000th interest in a share of the newly designated 7.000% Perpetual Non-Cumulative Preference Shares. The depositary shares have a liquidation preference of $25.0 per share. Net proceeds were $217.0 million, comprising $225.0 million of total liquidation preference less $8.0 million of issuance expenses. The depositary shares are listed on the NYSE under the symbol "AHL PRF."

AHL PRC Shares Redemption. On November 29, 2024, the Company issued a notice of redemption in connection with all of its issued and outstanding AHL PRC Shares. The redemption took place on January 1, 2025, to be paid on January 2, 2025, and was conducted pursuant to the terms of the certificate of designation, dated May 2, 2013, governing the AHL PRC Shares. Each holder of an AHL PRC Share received $25.0 per preference share, representing an aggregate amount of $275.0 million. Since the redemption date is also a dividend payment date, the redemption price does not include any declared and unpaid dividends.

10. Earnings Per Ordinary Share

Basic and diluted earnings per ordinary share are calculated by dividing net income available to holders of Aspen Insurance Holdings Limited's ordinary shares by the weighted average number of ordinary shares outstanding. The following table presents the computation of basic and diluted earnings per ordinary share for the three months ended March 31, 2025, and 2024:

	Three Months Ended March 31,	
	2025	2024
	($ in millions, except share and per share amounts)	
Net income	$ 36.8	$ 111.8
Less: Preference share dividends	(12.5)	(13.6)
Less: Preference share redemption costs	(4.4)	—
Net income available to Aspen Insurance Holdings Limited's ordinary shareholders	$ 19.9	$ 98.2
Basic and diluted weighted average ordinary shares outstanding	90,833,333	90,833,333
Basic and diluted earnings per ordinary share	$ 0.22	$ 1.08

11. Dividends

During the three months ended March 31, 2025, the Company's Board of Directors declared and paid the following dividends:

	Dividend per Share	Total Dividend
Three months ended March 31, 2025		
5.625% Preference Shares (AHL PRD)	$ 0.35	$ 3,516,000
5.625% Preference Shares, represented by depository shares (AHL PRE) (1)	$ 351.56	$ 3,515,600
7.000% Preference Shares, represented by depository shares (AHL PRF) (2)	$ 612.50	$ 5,512,500

(1) The 5.625% Preference Shares (AHL PRE) are represented by depositary shares, each representing a 1/1000th interest in a share of the 5.625% Preference Shares. The dividend paid per depositary share is likewise 1/1000th of the declared dividend, equivalent to $0.3516 per depositary share.

(2) The 7.000% Preference Shares (AHL PRF) are represented by depositary shares, each representing a 1/1000th interest in a share of the 7.000% Preference Shares. The dividend paid per depositary share is likewise 1/1000th of the declared dividend, equivalent to $0.6125 per depositary share.

12. Related Party Transactions

Apollo's indirect subsidiary, Apollo Asset Management Europe PC LLP ("AAME PC"), serves as the investment manager for the Company and certain of the Company's subsidiaries, and Apollo's indirect subsidiary, Apollo Management Holdings, L.P. ("AMH"), provides the Company with management consulting services and advisory services. With effect from January 1, 2025, the rights and obligations of AAME PC were novated to an affiliate of AAME PC, Apollo Asset Management Europe LLP ("AAME").

Additionally, certain employees of Apollo and its affiliates serve on the Board.

A description of relationships and transactions that have existed or that the Company and certain of the Company's subsidiaries has entered into with Apollo and its affiliates are described below.

Investment Management Relationships

AAME provides centralized asset management investment advisory and risk services for the portfolio of the Company's investments and investments of such subsidiaries pursuant to the investment management agreements ("IMAs") that have been entered into with AAME.

In addition, pursuant to the IMAs, AAME may engage sub-advisors or delegates to provide certain of the investment advisory and management services to the Company's subsidiaries. Such sub-advisors may include affiliates of AAME.

Under each of the IMAs, AAME will be paid an annual investment management fee (the "Management Fee") which will be based on a cost-plus structure. The "cost" is comprised of the direct and indirect fees, costs, expenses and other liabilities arising in or otherwise connected with the services provided under the IMAs. The "plus" component will be a mark-up in an amount of up to 25% determined based on an applicable transfer pricing study. The Management Fee will be subject to certain maximum threshold levels, including an annual fee cap of 15 bps of the total amount of investable assets. Affiliated sub-advisors, including Apollo Management International LLP, will also earn additional fees for sub-advisory services rendered.

During the three months ended March 31, 2025, the Company recognized IMA fees of $2.3 million (March 31, 2024 — $2.6 million), of which $3.8 million (December 31, 2024 — $4.0 million) remains payable to AAME as at March 31, 2025.

Management Consulting Agreement

As previously disclosed, the Company entered into a Management Consulting Agreement, dated March 28, 2019 (the "Management Consulting Agreement"), with AMH. Pursuant to the Management Consulting Agreement, AMH provided the Company management consulting and advisory services related to the business and affairs of the Company and its subsidiaries. The Company pays AMH in consideration for its services under the Management Consulting Agreement, an annual management consulting fee equal to the greater of (i) 1% of the consolidated net income of the Company and its subsidiaries for the applicable fiscal year, or (ii) $5 million.

During the three months ended March 31, 2025, the Company recognized Management Consulting fees of $1.3 million (March 31, 2024 — $1.3 million), of which $1.3 million remains payable to AMH as at March 31, 2025 (December 31, 2024 — $1.3 million).

With effect from the closing of the IPO on May 9, 2025, the Management Consulting Agreement was terminated. As a result, no management consulting fees will accrue or be payable to AMH under the Management Consulting Agreement for periods subsequent to the closing of the IPO.

Related Party Investments

During the three months ended March 31, 2025, the Company bought or held the following securities or investments in Apollo:

As at March 31, 2025, the Company's investment in Funds managed by Apollo had a fair value of $76.1 million (December 31, 2024 — $78.6 million). During the three months ended March 31, 2025, the Company incurred losses of $0.9 million (March 31, 2024 — losses of $0.9 million) which is included in net investment income on the consolidated statement of operations and other comprehensive income. These investments are included in other investments on the consolidated balance sheet.

As at March 31, 2025, the Company's investment in Notes issued by special purpose vehicles established and managed by subsidiaries of Apollo had a fair value of $52.6 million (December 31, 2024 — $66.6 million). During the three months ended March 31, 2025, the Company recognized income of $1.0 million (March 31, 2024 — income of $1.5 million) which is included in the consolidated statement of operations and other comprehensive income. These investments are included in privately-held investments, trading on the consolidated balance sheet.

As at March 31, 2025, the Company's investments in Collateralized Loan Obligations issued by special purpose vehicles established and managed by subsidiaries of Apollo had a fair value of $102.6 million (December 31, 2024 — $88.9 million). During the three months ended March 31, 2025, the Company recognized income on these investments of $1.7 million (March 31, 2024 — income of $5.3 million) which is included in the consolidated statement of operations and other comprehensive income. Of these investments, $86.1 million are included in fixed income securities, trading, and $16.5 million are included in fixed income securities, available for sale on the consolidated balance sheet.

As at March 31, 2025, the Company's investments in Middle Market Loans originated and managed by a subsidiary of Apollo had a fair value of $5.6 million (December 31, 2024 — $7.0 million). During the three months ended March 31, 2025, the Company recognized losses of $1.3 million (March 31, 2024 — income of $1.2 million) which is included in the consolidated statement of operations and other comprehensive income. The Middle Market Loans are included in privately-held investments, trading on the consolidated balance sheet.

Insurance Transactions

During the three months ended March 31, 2025, the Company and its subsidiaries provided insurance and reinsurance coverage to Apollo or certain of its affiliates. Balances relating to these contracts are reflected in the consolidated statement of operations for the three months ended March 31, 2025, and the consolidated balance sheet as at March 31, 2025, as follows:

	Three Months Ended March 31, 2025
	($ in millions)
Consolidated Statement of Operations items:	
Net earned premium	$ 0.8
Losses and loss adjustment expenses	$ 0.4

	As at March 31, 2025
	($ in millions)
Consolidated Balance Sheet items:	
Underwriting premiums receivables	$ 0.5
Reserve for losses and loss adjustment expenses	$ 0.4
Unearned premiums	$ 0.8

Other Payables to Related Parties

As at March 31, 2025, the Company had an intercompany payable balance of $Nil (December 31, 2024 — $1.2 million), due to its parent, Highlands Bermuda Holdco, Ltd.

13. Commitments and Contingent Liabilities

(a) Restricted assets

The Company's subsidiaries are obliged by the terms of its contractual obligations to U.S. policyholders and by obligations to certain regulatory authorities to facilitate issue of letters of credit or maintain certain balances in trust funds for the benefit of policyholders.

The following table details the forms and values of the Company's material restricted assets as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025	As at December 31, 2024
	($ in millions, except for percentages)	
Regulatory trusts and deposits:		
Affiliated transactions	$ 350.7	$ 433.4
Third party	2,675.0	2,713.5
Letters of credit / guarantees [1]	157.2	153.2
Total restricted assets (excluding illiquid assets)	$ 3,182.9	$ 3,300.1
Other investments — illiquid assets	304.4	267.2
Total restricted assets and illiquid assets	$ 3,487.3	$ 3,567.3
Total as percentage of cash and invested assets [2]	44.4 %	46.4 %

(1) As at March 31, 2025, the Company had pledged funds of $157.2 million (December 31, 2024 — $153.2 million) as collateral for the secured letters of credit.

(2) Investable assets comprise total investments, cash and cash equivalents, accrued interest, receivables for securities sold and payables for securities purchased.

Investment Funds. We invest in investment funds which, as is typical for this type of investment, have lock-up periods. A lock-up period is the initial amount of time an investor is contractually required to remain invested before having the ability to redeem. As at March 31, 2025, the lock-up periods across these funds range from one quarter to several years. Thereafter these funds could also be redeemed on a pro-rata basis depending on the liquidity position of the fund. There are no assurances as to when the Company may be able to withdraw, in whole or in part, its redemption request from the fund.

Letters of Credit. The Company's current arrangements with our bankers for the issue of letters of credit require us to provide collateral in the form of cash and investments for the full amount of all secured and undrawn letters of credit that are outstanding. We monitor the proportion of our otherwise liquid assets that are committed to trust funds or to the collateralization of letters of credit. As at March 31, 2025 and December 31, 2024, these funds amounted to approximately 44.4% of the $7.9 billion and approximately 46.4% of the $7.7 billion of investable assets held by the Company, respectively. We do not consider that this unduly restricts our liquidity at this time.

Funds at Lloyd's. AUL operates at Lloyd's as the corporate member for Syndicate 4711. AUL also participates in underwriting activities of Carbon Syndicate 4747. Lloyd's determines required regulatory capital by considering the underwriting activities that AUL participates in. Such capital, called Funds at Lloyd's, consists of investable assets as at March 31, 2025 in the amount of $483.0 million (December 31, 2024 — $471.9 million).

The amounts provided as Funds at Lloyd's will be drawn upon and become a liability of the Company in the event of Syndicate 4711 declaring a loss at a level that cannot be funded from other resources, or if Syndicate 4711 requires funds to cover a short-term liquidity gap. The amount which the Company provides as Funds at Lloyd's is not available for distribution to the Company for the payment of dividends. Aspen Managing Agency Limited, the managing agent to Syndicate 4711, is also required by Lloyd's to maintain a minimum level of capital which as at March 31, 2025 was £0.4 million (December 31, 2024 — £0.4 million). This is not available for distribution by the Company for the payment of dividends.

U.S. Reinsurance Trust Fund. For its U.S. reinsurance activities, Aspen UK has established and must retain a multi-beneficiary U.S. trust fund for the benefit of its U.S. cedants so that they may take financial statement credit without the need to post cedant-specific security. The minimum trust fund amount is $20.0 million plus an amount equal to 100% of Aspen UK's U.S. reinsurance liabilities, which were $565.1 million as at March 31, 2025 and $648.8 million as at December 31, 2024. As at March 31, 2025, the balance (including applicable letter of credit facilities) held in the trust was $903.9 million (December 31, 2024 — $1,001.5 million).

Aspen Bermuda has also established and must retain a multi-beneficiary U.S. trust fund for the benefit of its U.S. cedants so that they may take financial statement credit without the need to post cedant-specific security. The minimum trust fund amount is $20.0 million plus an amount equal to 100% of Aspen Bermuda's liabilities to its U.S. cedants which was $195.9 million and $182.3 million as at March 31, 2025 and December 31, 2024, respectively. As at March 31, 2025, the balance held in the U.S. trust fund and other Aspen Bermuda trusts was $244.5 million (December 31, 2024 — $334.0 million).

U.S. Surplus Lines Trust Fund. Aspen UK and Syndicate 4711 have also established a U.S. surplus lines trust fund with a U.S. bank to secure liabilities under U.S. surplus lines policies. The balance held in trust as at March 31, 2025 was $157.3 million (December 31, 2024 — $150.2 million).

U.S. Regulatory Deposits. As at March 31, 2025, Aspen Specialty had a total of $7.0 million (December 31, 2024 — $6.9 million) on deposit with six U.S. states in order to satisfy state regulations for writing business in those states. AAIC had a further $7.4 million (December 31, 2024 — $6.5 million) on deposit with twelve U.S. states.

Canadian Trust Fund. Aspen UK has established a Canadian trust fund with a Canadian bank to secure a Canadian insurance license. As at March 31, 2025, the balance held in trust was CAD$237.1 million ($164.8 million) (December 31, 2024 — CAD$219.8 million).

Australian Trust Fund. Aspen UK has established an Australian trust fund with an Australian bank to secure policyholder liabilities and as a condition for maintaining an Australian insurance license. As at March 31, 2025, the balance held in trust was AUD$86.6 million ($54.0 million) (December 31, 2024 — AUD$78.1 million).

Swiss Trust Fund. Aspen UK has established a Swiss trust fund with a Swiss bank to secure policyholder liabilities and as a condition for maintaining a Swiss insurance license. As at March 31, 2025, the balance held in trust was CHF5.1 million ($5.8 million) (December 31, 2024 — CHF4.8 million).

Singapore Fund. Aspen UK and Aspen Bermuda have established segregated Singaporean bank accounts to secure policyholder liabilities and as a condition for maintaining a Singaporean insurance license and meet local solvency requirements. As at March 31, 2025, the total balance in the accounts was SGD$215.5 million ($160.4 million) (December 31, 2024 — SGD$201.7 million).

(b) Contingent liabilities

In common with the rest of the insurance and reinsurance industry, the Company is also subject to litigation and arbitration in the ordinary course of business. The Company's Operating Subsidiaries are regularly engaged in the investigation, conduct and defense of disputes, or potential disputes, resulting from questions of insurance or reinsurance coverage or claims activities. Pursuant to insurance and reinsurance arrangements, many of these disputes are resolved by arbitration or other forms of alternative dispute resolution. Such legal proceedings are considered in connection with estimating the Company's Reserve for Losses and Loss Adjustment Expenses, as provided on the Company's consolidated balance sheet.

In some jurisdictions, noticeably the U.S., a failure to deal with such disputes or potential disputes in an appropriate manner could result in an award of "bad faith" punitive damages against the Company's Operating Subsidiaries. In accordance with ASC 450-20-50-3, for (a) reasonably possible losses for which no accrual is made because any of the conditions for accrual in ASC 450-20-25-2 are not met and (b) reasonably possible losses in excess of the amounts accrued pursuant to ASC 450-20-30-1, the Company will provide an estimate of the possible loss or range of possible loss or state that such an estimate cannot be made.

As at March 31, 2025, based on available information the probability of the ultimate resolution of pending or threatened litigation or arbitrations having a material effect on the Company's financial condition, results of operations or liquidity is remote.

14. Reclassifications from Accumulated Other Comprehensive Income

The following table sets out the components of the Company's Accumulated Other Comprehensive Income ("AOCI") that are reclassified into the consolidated statement of operations for the three months ended March 31, 2025 and 2024:

	Amount Reclassified from AOCI		
Details about the AOCI Components	**Three Months Ended March 31, 2025**	**Three Months Ended March 31, 2024**	**Affected Line Item in the Consolidated Statement of Operations**
	($ in millions)		
Available for sale:			
Realized (gains) on sale of securities	$ (2.1)	$ (0.1)	Realized and unrealized investment gains
Realized losses on sale of securities	5.5	4.0	Realized and unrealized investment losses
	3.4	3.9	Income from operations before income taxes
Tax on net realized losses of securities	(0.7)	(0.4)	Income tax expense
	$ 2.7	$ 3.5	Net income
Realized derivatives:			
Net realized losses on settled derivatives	$ 0.8	$ —	General, administrative and corporate expenses
Tax on settled derivatives	(0.2)	—	Income tax expense
	$ 0.6	$ —	Net income
Total reclassifications from AOCI to the statement of operations, net of income tax	$ 3.3	$ 3.5	Net income

15. Subsequent Events

On June 2, 2025, the Company's Board of Directors declared the following dividends:

	Dividend	Payable on:	Record Date:
5.625% Preference Shares (AHL PRD)	$ 0.3516	July 1, 2025	June 15, 2025
5.625% Preference Shares, represented by depositary shares (AHL PRE) (1)	$ 351.56	July 1, 2025	June 15, 2025
7.000% Preference Shares, represented by depositary shares (AHL PRF) (2)	$ 437.50	July 1, 2025	June 15, 2025

(1) The 5.625% Preference Shares are represented by depositary shares, each representing a 1/1000th interest in a share of the 5.625% Preference Shares. The dividend paid per depositary share is likewise 1/1000th of the declared dividend, equivalent to $0.3516 per depositary share.

(2) The 7.000% Preference Shares are represented by depositary shares, each representing a 1/1000th interest in a share of the 7.000% Preference Shares. The dividend paid per depositary share is likewise 1/1000th of the declared dividend, equivalent to $0.4375 per depositary share.

On May 9, 2025, we completed our initial public offering ("IPO"), pursuant to which certain of our shareholders managed by affiliates of Apollo Global Management, Inc. (the "selling shareholders") sold 13,250,000 of our Class A ordinary shares, par value $0.001 ("ordinary shares"), at a public offering price of $30.00 per share. Subsequently, on May 13, 2025, the selling shareholders sold 1,987,500 ordinary shares in connection with the full exercise by the underwriters of their 30-day option to purchase additional ordinary shares at a public offering price of $30.00 per share. We did not receive any of the proceeds from the sale of ordinary shares by the selling shareholders. The ordinary shares began trading under the ticker symbol "AHL" on the NYSE on May 8, 2025.

Upon completion of the IPO, the Company introduced a 2025 Equity and Incentive Plan (the "Plan") to (i) align the interests of the Company's shareholders and the recipients of awards under the Plan by increasing the proprietary interest of such recipients in the Company's growth and success, (ii) advance the interests of the Company by attracting and retaining officers, other employees, non-employee directors, consultants, independent contractors, and agents and (iii) motivate such persons to act in the long-term best interests of the Company and its shareholders. The Plan provides for the grant of incentive share options (within the meaning of applicable laws and regulations), non-qualified share options, share appreciation rights, restricted shares awards, restricted share units, other share awards, and performance awards. Officers, non-employee directors, employees and other service providers, and those expected to become officers, non-employee directors, employees and other service providers, are eligible to receive such awards, as the Board, or a sub-committee thereof, may determine from time to time. Participants will also include recipients of replacement awards that will be granted in substitution for legacy share options previously granted to certain employees of the Company as described in Note 17, "Share-Based Payments and Long-Term Incentive Plan - Management Equity Plan", of the Company's Annual Report for the year ended December 31, 2024 contained in the Company's Form 6-K filed with the SEC on April 29, 2025. During the second quarter of 2025, the Company will recognize a non-operating charge of approximately $39.2 million in relation to these replacement awards.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our financial condition and results of operations for the three months ended March 31, 2025 and 2024. This discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and related notes contained in this report as well as in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2024 contained in the Company's Form 6-K filed with the United States Securities and Exchange Commission (the "SEC") on April 29, 2025 (File No. 001-31909).

The discussion below includes forward-looking statements, which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. See Item 3D in the Company's Annual Report on Form 20-F for the year ended December 31, 2024 for more information on factors that could cause actual results to differ materially from the results described in, or implied by, any forward-looking statements contained in this discussion and analysis.

Operating highlights

- Gross written premiums of $1,287.2 million in the three months ended March 31, 2025, an increase of 4.5% from the three months ended March 31, 2024, primarily due to a combination of new business growth and favorable market conditions in certain business lines.
- Overall underwriting income of $27.2 million (combined ratio of 96.1%) for the three months ended March 31, 2025, including $91.4 million, or 13.0 combined ratio points, of pre-tax catastrophe losses related to significant industry events, including the California Wildfires and other weather-related events. Underwriting income of $89.5 million (combined ratio of 86.6%) for the three months ended March 31, 2024, which included $32.4 million, or 4.9 combined ratio points, of pre-tax catastrophe losses, related to significant industry events, including the Francis Scott Key Bridge event and other weather-related events.
- There has been no net prior year loss reserve development for the three months ended March 31, 2025. The $9.0 million favorable net impact of the LPT was directly offset by adverse prior year reserve development on post-LPT years of $9.0 million. The net adverse development for the three months ended March 31, 2024 of $1.4 million, or 0.3 combined ratio points, related to adverse development on the net impact of the LPT. There was no prior year development on post-LPT years for the three months ended March 31, 2024.
- Adjusted underwriting income of $36.2 million (adjusted combined ratio of 94.8%) for the three months ended March 31, 2025 includes an adjustment to remove a loss of $9.0 million for the net impact of the LPT. Adjusted underwriting income represents the performance of our business for accident years 2020 onwards. Adjusted underwriting income of $90.9 million (adjusted combined ratio of 86.3%) for the three months ended March 31, 2024 included an adjustment to remove a loss of $1.4 million for the net impact of the LPT.
- Our capital markets business contributed total fee income of $45.6 million in the three months ended March 31, 2025, an increase of $12.0 million compared to $33.6 million in the three months ended March 31, 2024. Income from ACM's activities represents ceding commissions and is accounted for as a reduction to acquisition expenses. Third-party capital grew to $2,192.9 million as at March 31, 2025, compared with $1,665.9 million at March 31, 2024 (December 31, 2024 — $2,207.4 million).
- Annualized operating return on average equity was 8.2% for the three months ended March 31, 2025 compared with 19.0% for the three months ended March 31, 2024.

Shareholders' equity

Total shareholders' equity decreased by $181.4 million, or 5.4%, from $3,371.9 million as at December 31, 2024 to $3,190.5 million as at March 31, 2025, the most significant movements of which were as follows:

- on January 1, 2025, the Company redeemed all of its issued and outstanding AHL PRC Preference Shares for an aggregate amount of $275.0 million;
- an increase of $19.9 million in retained earnings due to net income of $36.8 million, partially off-set by $12.5 million in dividends on our Preference Shares and the expensing of $4.4 million of share issuance costs following the redemption of our AHL PRC preference shares; and
- other comprehensive income of $69.3 million, which included $55.4 million of net unrealized gains on available for sale investments, a $9.7 million net gain in foreign currency translation on investments classified as available for sale and a $4.2 million net gain in the value of hedged foreign exchange contracts.

As at March 31, 2025, our total shareholders' equity included Preference Shares of $725.0 million less issuance costs of $25.1 million (December 31, 2024 — $1,000.0 million less issuance costs of $29.5 million).

As at March 31, 2025, we had approximately $340 million (December 31, 2024 — $379 million) of remaining limit available on our LPT contract, representing 28% of our 2019 and prior accident year outstanding reserves. This contract provides protection against deterioration on these accident years, significantly limiting Aspen's exposure to the risk of unfavorable development from these accident years, and strengthens our balance sheet.

Consolidated Group Result

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	($ in millions, except for percentages)	
Underwriting Revenues		
Gross written premiums	$ 1,287.2	$ 1,231.4
Net written premiums	751.7	740.9
Net earned premiums	702.7	665.7
Underwriting Expenses		
Losses and loss adjustment expenses	455.3	384.5
Acquisition costs	95.7	92.9
General and administrative expenses	124.5	98.8
Underwriting income	$ 27.2	$ 89.5
Other Income and Expense		
Corporate and other net expenses [(1)]	$ (25.4)	$ (25.7)
Non-operating expenses	(8.3)	(6.2)
Net investment income	75.9	76.8
Realized and unrealized investment (losses)	(0.3)	(1.0)
Change in fair value of derivatives	25.9	(13.6)
Interest expense	(9.1)	(16.1)
Net realized and unrealized foreign exchange (losses)/gains	(38.8)	22.7
Income before income tax	47.1	126.4
Income tax expense	(10.3)	(14.6)
Net income	36.8	111.8
Preference share dividends	(12.5)	(13.6)
Preference share redemption costs	(4.4)	—
Net income available to ordinary shareholders	$ 19.9	$ 98.2
Other Metrics		
Loss ratio	64.8 %	57.8 %
Expense ratio	31.3	28.8
Combined ratio	96.1 %	86.6 %
Adjusted combined ratio [(2)] [(3)]	94.8 %	86.3 %
Adjusted underwriting income [(2)] [(3)]	$ 36.2	$ 90.9
Operating income [(3)]	$ 50.4	$ 103.4
Operating return on average equity [(3)]	8.2 %	19.0 %
Total return on average cash and investments, pre-tax	1.9 %	0.7 %

(1) Corporate and other net expenses includes corporate expenses, other income and other expenses.

(2) The adjusted underwriting income and adjusted combined ratio remove the impact of the change in deferred gain on retroactive reinsurance contracts in order to match the loss recoveries under the LPT contract with the underlying loss development of the assumed net loss reserves for the subject business of 2019 and prior accident years. The adjusted underwriting income and adjusted combined ratio represent the performance of our business for accident years 2020 onwards, which management believe reflects the underlying underwriting performance of the ongoing portfolio.

(3) These metrics are non-GAAP financial measures as defined under SEC rules and regulations. Refer to "Reconciliation of Non-GAAP Financial Measures" for further details.

Gross written premiums

The following table sets forth the gross written premiums for our two business segments for the three months ended March 31, 2025 and 2024 and the percentage change in gross written premiums:

Business Segment	Gross Written Premiums for the Three Months Ended March 31, 2025 ($ in millions)	2025 % change	2024 ($ in millions)
Reinsurance	$ 600.7	(2.2)%	$ 614.4
Insurance	686.5	11.3 %	617.0
Total	$ 1,287.2	4.5 %	$ 1,231.4

Overall gross written premiums increased by 4.5% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Gross written premiums in our Reinsurance segment decreased by 2.2% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This reduction is predominantly due to declining rates and a more competitive market place in the property catastrophe and other property reinsurance business line, which was partially offset by rate increases and continued favorable market conditions in the casualty reinsurance business line.

Gross written premiums in our Insurance segment increased by 11.3%, largely due to continued growth with existing clients participating in our cross class binders products, as well new business growth in our cyber liability portfolio.

Ceded written premiums

The following table sets forth the ceded written premiums for our two business segments for the three months ended March 31, 2025 and 2024 and the percentage change in ceded written premiums:

Business Segment	Ceded Written Premiums for the Three Months Ended March 31, 2025 ($ in millions)	2025 % change	2024 ($ in millions)
Reinsurance	$ 226.9	7.1 %	$ 211.9
Insurance	308.6	10.8 %	278.6
Total	$ 535.5	9.2 %	$ 490.5

Total ceded written premiums for the three months ended March 31, 2025 increased by $45.0 million, or 9.2%, compared to the three months ended March 31, 2024. Changes in our reinsurance program decreased our retention ratio, which is defined as net written premiums as a percentage of gross written premiums, from 60.2% for the three months ended March 31, 2024 to 58.4% for the three months ended March 31, 2025. Ceded written premiums increased for our Reinsurance segment, primarily due to an increase in the level of reinsurance purchased to protect our casualty reinsurance business line. Ceded written premiums increased for our Insurance segment in line with the growth in gross written premiums, with the retention ratio remaining consistent year on year.

Net earned premiums

The following table sets forth the net earned premiums for our two business segments for the three months ended March 31, 2025 and 2024 and the percentage change in net earned premiums:

Business Segment	Net Earned Premiums for the Three Months Ended March 31, 2025 ($ in millions)	2025 % change	2024 ($ in millions)
Reinsurance	$ 299.0	(1.9)%	$ 304.7
Insurance	403.7	11.8 %	361.0
Total	$ 702.7	5.6 %	$ 665.7

Net earned premiums increased by $37.0 million, or 5.6%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due to an increase of $103.5 million in gross earned premiums, partially offset by an increase of $66.5 million in ceded earned premiums.

Losses and loss adjustment expenses

We have presented the different components of the loss ratios, including adjusting for the impact of the LPT, which includes changes in retroactive reinsurance contracts as we believe that the presentation of adjusted loss ratios reflects the underlying performance of the ongoing portfolio. Additionally, we have also presented current year loss ratios (excluding the impact of catastrophe losses), the impact of catastrophe losses and prior year development for accident years that are not covered by the LPT.

	Three Months Ended March 31,			
	2025		2024	
	Net Loss Expense	Loss Ratio	Net Loss Expense	Loss Ratio
	($ in millions)	%	($ in millions)	%
Current accident year losses, excluding catastrophe losses	$ 363.9	51.8 %	$ 350.7	52.6 %
Catastrophe losses	91.4	13.0	32.4	4.9
Current accident year losses	455.3	64.8	383.1	57.5
Prior year adverse reserve development — Post-LPT years	(9.0)	(1.3)	—	—
Adjusted losses and loss adjustment expenses [(1)]	446.3	63.5	383.1	57.5
Impact of the LPT	9.0	1.3	1.4	0.3
Total losses and loss adjustment expenses	$ 455.3	64.8 %	$ 384.5	57.8 %

(1) Adjusted losses and loss adjustment expenses and the adjusted loss ratio are non-GAAP financial measures as defined under SEC rules and regulations. The calculation of the adjusted loss ratio is presented above. Refer to "Reconciliation of Non-GAAP Financial Measures" for further details.

The overall loss ratio for the three months ended March 31, 2025 of 64.8%, increased by 7.0 percentage points compared to the three months ended March 31, 2024, and losses and loss adjustment expenses increased from $384.5 million for the three months ended March 31, 2024 to $455.3 million for the three months ended March 31, 2025. This was mainly due to the following:

Current accident year losses, excluding the impact of catastrophe losses. Current accident year losses, excluding the impact of catastrophe losses, contributed $363.9 million or 51.8 percentage points for the three months ended March 31, 2025 compared to $350.7 million or 52.6 percentage points for three months ended March 31, 2024. The decrease is mainly due to the reduction noted in the Insurance segment, which saw additional non-recurring claims activity in the three months ended March 31, 2024.

Catastrophe losses. Catastrophe losses contributed $91.4 million or 13.0 percentage points for the three months ended March 31, 2025 compared to $32.4 million or 4.9 percentage points for the three months ended March 31, 2024. Catastrophe losses for the three months ended March 31, 2025 include losses associated with the California Wildfires and other weather-related events. Catastrophe losses for the three months ended March 31, 2024 were defined as losses associated with the Francis Scott Key Bridge event and other weather-related events.

Prior year development on post-LPT years. Reserve development for accident years 2020 onwards, for the three months ended March 31, 2025, contributed a reduction to the overall loss ratio of 1.3 percentage points. There was no reserve development for accident years 2020 onwards for the three months ended March 31, 2024.

Adjusted losses and loss adjustment expenses. The adjusted losses and loss adjustment expenses relate to the post-LPT accident years and exclude the change in deferred gain associated with retroactive reinsurance contracts. Adjusted losses and loss adjustment expenses represents the performance of our business for accident years 2020 onwards, which we believe reflects the underlying underwriting performance of the ongoing portfolio. The adjusted losses and loss adjustment expenses is the basis on which we report adjusted underwriting income and adjusted combined ratio, as well as the basis in which underwriting income contributes to operating income. Refer to "Reconciliation of Non-GAAP Financial Measures" for further details.

Impact of the LPT. The impact of the LPT includes the impact of prior year reserve development on 2019 and prior accident years, net of the change in the deferred gain recognized in relation to retroactive reinsurance contracts which is primarily driven by the LPT, totaling $9.0 million.

Acquisition costs and general and administrative expenses

We monitor the ratio of expenses to net earned premiums as a measure of the cost effectiveness of our acquisition costs, and general and administrative expenses. The table below presents the contribution of the acquisition costs, and general and administrative expenses to the net expense ratios for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31,	
Ratios Based on Net Earned Premiums	**2025**	**2024**
Acquisition cost ratio	13.6 %	14.0 %
General and administrative expense ratio	17.7 %	14.8 %
Total expense ratio	31.3 %	28.8 %

The acquisition cost ratio remained fairly stable at 13.6% for the three months ended March 31, 2025, and 14.0% for the three months ended March 31, 2024, with the movements within the two segments largely offsetting one another. The Reinsurance segment saw a reduction in the acquisition cost ratio due to a change in business mix and a reduction in profit commissions. Whereas the Insurance segment saw an increase in the acquisition cost ratio, largely due to a change in business mix.

The general and administrative expense ratio increased from 14.8% for the three months ended March 31, 2024 to 17.7% for the three months ended March 31, 2025. This increase in general and administrative expenses of $25.7 million, from $98.8 million for the three months ended March 31, 2024 to $124.5 million for the three months ended March 31, 2025, is largely due to an increase in the number of employees, additional depreciation charged for the period, and expense alignment in our functions which support corporate activities.

Aspen Capital Markets

ACM sources third-party capital and develops reinsurance structures that leverage the Company's underwriting and analytical expertise and earns underwriting, management and performance fees from third-party investors primarily through the placement and management of collateralized quota share sidecar vehicles.

The following table sets forth a summary of fee income and third-party capital with respect to our ACM activity, for the three months ended March 31, 2025 and 2024. The increase in fee income was due to the growth achieved in the third-party capital and greater ceded earned premium, including the expansion of our capital markets business into long-tail casualty lines.

	Three Months Ended March 31,	
ACM ($ in millions)	**2025**	**2024**
Fee income [1]	$ 45.6	$ 33.6
	As at March, 31,	
	2025	**2024**
Third-party capital	$ 2,192.9	$ 1,665.9

(1) Fee income earned through cessions to third-party capital vehicles is recorded through underwriting income/(loss) as a decrease to acquisition costs.

Corporate and other expenses

For the three months ended March 31, 2025, we incurred corporate and other expenses of $25.4 million (March 31, 2024 — $25.7 million). The corporate and other expenses have remained consistent for the three months ended March 31, 2025 and 2024.

Non-operating expenses

For the three months ended March 31, 2025, we incurred non-operating expenses of $8.3 million, which included expenses in relation to consulting fees paid to Apollo of $1.3 million, and non-recurring transformation and change activities of $7.0 million.

For the three months ended March 31, 2024, we incurred non-operating expenses of $6.2 million, which included expenses in relation to consulting fees paid to Apollo of $1.3 million, and non-recurring transformation and change activities of $4.9 million.

Investment performance

The following table sets forth a summary of total investment returns, average cash and investments and total return on average cash and investments, pre-tax for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	($ in millions, except for percentages)	
Net investment income	$ 75.9	$ 76.8
Net realized and unrealized investment (losses)	(0.3)	(1.0)
Change in unrealized gains/(losses) on available for sale securities (before tax) (1)	69.8	(26.7)
Total investment returns	$ 145.4	$ 49.1
Average cash and investments (2)	$ 7,743.9	$ 7,465.4
Total return on average cash and investments, pre-tax	1.9 %	0.7 %

(1) For a discussion on the change in unrealized gains/(losses) on available for sale securities, please refer to "Other comprehensive income," below.

(2) Average cash and investments are calculated by taking the average of the opening period and closing period balances for total investments plus cash and cash equivalents.

For the three months ended March 31, 2025, net investment income was $75.9 million, a decrease of 1.2% from the prior year (March 31, 2024 — $76.8 million). The slight reduction is largely due to a negative performance from the investment funds and reductions in base rates impacting floating rate assets. This is partially offset by active rotations of the portfolio to take advantage of higher interest rates. The investment portfolio as at March 31, 2025 largely comprises interest income generating fixed income securities. Book yield on the fixed income securities portfolio as at March 31, 2025 was 4.3% compared with 4.0% as at March 31, 2024. Book yield is the yield of the security after adjusting for accretion/amortization of the difference between par value and purchase price.

Total net realized and unrealized investment losses for the three months ended March 31, 2025 were $0.3 million (March 31, 2024 — losses of $1.0 million), which included net unrealized gains of $3.9 million (March 31, 2024 — net unrealized gains of $3.7 million).

Change in fair value of derivatives

We use derivative instruments to economically hedge foreign currency exposure, in the form of foreign currency forward contracts. We also hold an embedded derivative relating to the variable interest expense on the funds withheld arrangement included as part of the Company's LPT contract.

For the three months ended March 31, 2025, the impact of these derivative contracts on net income was a gain of $25.9 million (March 31, 2024 — loss of $13.6 million), attributable to foreign exchange contracts that had a gain of $23.5 million (March 31, 2024 — loss of $17.5 million), and a gain within the LPT embedded derivative of $2.4 million (March 31, 2024 — gain of $3.9 million).

Interest expense

The following table sets forth a summary of the interest expense for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	($ in millions)	
Interest on LPT Funds Withheld	$ 4.7	$ 10.8
Interest and fees on the 2026 Term Loan	4.4	5.3
Interest expense	$ 9.1	$ 16.1

The decrease in the interest expense for the three months ended March 31, 2025 was primarily driven by the decrease in the interest expense on the funds withheld account related to the LPT contract with Enstar. This decrease was due to a lower variable crediting rate for the three months ended March 31, 2025 compared to the three months ended March 31, 2024, as well as a lower average funds withheld account balance as the underlying losses were paid down.

Income tax expense

The income tax expense for the three months ended March 31, 2025 was $10.3 million, compared with the income tax expense of $14.6 million for the three months ended March 31, 2024.

The effective tax rate (defined as the tax expense or benefit, divided by the profit or loss before tax), for the three months ended March 31, 2025, on profit before tax was 21.9% (March 31, 2024 — 11.6%). The increase in the effective tax rate is due to the introduction of a corporate income tax of 15% in Bermuda, which took effect from January 1, 2025.

The effective tax rate is impacted by the relative profitability of the business underwritten in Bermuda, the United Kingdom and the United States, all of which have different income tax rates.

Other comprehensive income

Other comprehensive income, net of taxes, was $69.3 million for the three months ended March 31, 2025 (March 31, 2024 — loss of $33.7 million). Other comprehensive income includes a net unrealized gain on the available for sale investment portfolio of $55.4 million (March 31, 2024 — net unrealized loss of $24.1 million), which consists of a net unrealized gain of $52.7 million (March 31, 2024 — net unrealized loss of $27.6 million) and a reclassification adjustment of $2.7 million related to the realized loss on the sale of available for sale securities (March 31, 2024 — $3.5 million loss). The net unrealized gain for the three months ended March 31, 2025 was attributable to the impact of declining interest rates on our bond portfolios. The remaining movement is due to an unrealized gain in foreign currency translation on available for sale investments of $9.7 million (March 31, 2024 — $9.1 million unrealized loss), and a $4.2 million unrealized gain on the hedged derivative contracts (March 31, 2024 — $0.5 million unrealized loss).

Underwriting Results by Business Segment

We are organized into two reportable business segments, Reinsurance and Insurance. We have determined our reportable segments by taking into account the manner in which management and ultimately the chief operating decision maker determines operating decisions and assesses operating performance. Profit or loss for each of the business segments is measured by underwriting income or loss. Underwriting profit is the excess of net earned premiums over the sum of losses and loss adjustment expenses, acquisition costs, and general and administrative expenses. Underwriting income or loss provides a basis for management to evaluate the segment's underwriting performance.

Management measures segment results on the basis of the combined ratio, which is obtained by dividing the sum of the losses and loss adjustment expenses, acquisition costs, and general and administrative expenses by net earned premiums.

Non-underwriting disclosures. We provide additional disclosures for corporate and other (non-operating) income and expenses. Corporate and other income and expenses include: corporate and other expenses, non-operating expenses, net investment income, net realized and unrealized investment gains or losses, changes in fair value of derivatives, interest expenses, net realized and unrealized foreign exchange gains or losses, and income taxes. These income and expense items are not allocated to our business segments as they are not directly related to our business segment operations and is consistent with how management measures the performance of its segments. We do not allocate our assets by business segments as we evaluate underwriting results of each segment separately from the results of our investment portfolio.

Segment profit or loss for each of our business segments is measured by underwriting income or loss. Refer to Note 3 of our unaudited consolidated financial statements, "Segment Reporting" for information on gross and net premiums written and earned, underwriting income or loss, and combined ratios and reserves for each of our business segments.

Reinsurance

Our Reinsurance segment consists of casualty reinsurance, property catastrophe reinsurance, other property reinsurance and specialty reinsurance. For a more detailed description of this segment, refer to Item 4, "Business Overview — Business Segments — Reinsurance" in the Company's 2024 Annual Report on Form 20-F filed with the SEC.

	Three Months Ended March 31,		
	2025	% Change	2024
	($ in millions, except for percentages)		
Underwriting Revenues			
Gross written premiums	$ 600.7	(2.2)%	$ 614.4
Net written premiums	373.8	(7.1)%	402.5
Net earned premiums	299.0	(1.9)%	304.7
Underwriting Expenses			
Current accident year net losses and loss expenses, excluding catastrophe losses	135.2	5.1%	128.6
Catastrophe losses	74.4	nm	20.8
Prior year reserve development, post LPT years	(7.1)	nm	—
Adjusted losses and loss adjustment expenses (1)	202.5	35.5%	149.4
Impact of the LPT	4.9	(18.3)%	6.0
Losses and loss adjustment expenses	207.4	33.5%	155.4
Acquisition costs	45.6	(20.3)%	57.2
General and administrative expenses	50.0	36.6%	36.6
Underwriting (loss)/income	$ (4.0)	nm	$ 55.5
Adjusted underwriting income (2)	$ 0.9	(98.5)%	$ 61.5

Ratios		% Point Change	
Current accident year loss ratio, excluding catastrophe losses	45.3 %	3.1	42.2 %
Catastrophe losses	24.9 %	18.1	6.8 %
Current accident year loss ratio	70.2 %	21.2	49.0 %
Prior year reserve development ratio, post LPT years	(2.4)%	(2.4)	— %
Adjusted loss ratio (1)	67.8 %	18.8	49.0 %
Impact of the LPT	1.6 %	(0.4)	2.0 %
Loss ratio	69.4 %	18.4	51.0 %
Acquisition cost ratio	15.3 %	(3.5)	18.8 %
General and administrative expense ratio	16.7 %	4.7	12.0 %
Combined ratio	101.4 %	19.6	81.8 %
Adjusted combined ratio (2)	99.8 %	20.0	79.8 %

nm - not meaningful is defined as a variance greater than +/- 100%.

(1) Adjusted losses and loss adjustment expenses and the adjusted loss ratio are calculated by adjusting the losses and loss adjustment expenses and loss ratio to remove the impact of the LPT. Adjusted losses and loss adjustment expenses and the adjusted loss ratio are non-GAAP financial measures as defined under SEC rules and regulations. The calculations are presented above. Refer to "Reconciliation of Non-GAAP Financial Measures" for further details.

(2) Adjusted underwriting income and the adjusted combined ratio are calculated by adjusting the underwriting income and the combined ratio to remove the impact of the LPT. Adjusted underwriting income and the adjusted combined ratio are non-GAAP financial measures as defined under SEC rules and regulations. The calculations are presented above. Refer to "Reconciliation of Non-GAAP Financial Measures" for further details.

Gross written premiums

The table below shows our gross written premiums for each line of business in our Reinsurance segment for the three months ended March 31, 2025 and 2024 and the percentage change in gross written premiums for each line of business:

Lines of Business	Three Months Ended March 31,		
	2025		2024
	($ in millions)	% change	($ in millions)
Casualty reinsurance	$ 258.2	12.8 %	$ 228.8
Property catastrophe reinsurance	145.1	(4.3)%	151.6
Other property reinsurance	97.7	(22.4)%	125.9
Specialty reinsurance	99.7	(7.8)%	108.1
Total	$ 600.7	(2.2)%	$ 614.4

Gross written premiums decreased by 2.2% for the three months ended March 31, 2025, compared to the three months ended March 31, 2024. The increase in casualty reinsurance is driven by positive rate increases in casualty lines in addition to targeted growth in favorable market conditions. The decrease in both property catastrophe and other property reinsurance was driven by declining rates and the impact of a more competitive market place. The decrease in specialty reinsurance was primarily due to a more competitive market environment.

Ceded written premiums

Total ceded written premiums for the three months ended March 31, 2025 were $226.9 million, an increase of $15.0 million compared to the three months ended March 31, 2024. The retention ratio decreased from 65.5% for the three months ended March 31, 2024, to 62.2% for the three months ended March 31, 2025, predominantly due to an increase in the level of reinsurance purchased protecting our casualty reinsurance business line.

Net earned premiums

The table below shows our net earned premiums for each line of business in our Reinsurance segment for the three months ended March 31, 2025 and 2024 and the percentage change in net earned premiums for each line of business:

Lines of Business	Three Months Ended March 31,		
	2025		2024
	($ in millions)	% change	($ in millions)
Casualty reinsurance	$ 116.2	8.1 %	$ 107.5
Property catastrophe reinsurance	47.5	47.1 %	32.3
Other property reinsurance	81.8	(20.7)%	103.2
Specialty reinsurance	53.5	(13.3)%	61.7
Total	$ 299.0	(1.9)%	$ 304.7

Net earned premiums decreased by $5.7 million, or 1.9%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The decrease was due to a $36.4 million increase in ceded earned premiums, partially offset by a $30.7 million increase in gross earned premiums.

Losses and loss adjustment expenses

The loss ratio was 69.4% for the three months ended March 31, 2025, an increase of 18.4 percentage points compared to 51.0% for the three months ended March 31, 2024. The main drivers of the change in loss ratio were the following:

- Current accident year loss ratio, excluding catastrophe losses, for the three months ended March 31, 2025 of 45.3%, increased by 3.1 percentage points compared to the three months ended March 31, 2024 of 42.2%. The increase can be predominantly attributed to an increase in claims handling costs, and the associated provisions.
- Catastrophe losses increased from $20.8 million for the three months ended March 31, 2024 to $74.4 million for the three months ended March 31, 2025, increasing the loss ratio by 18.1 percentage points. For the three months ended March 31, 2025, catastrophe losses included $63.9 million from the California wildfires, and $10.5 million of other weather-related events. For the three months ended March 31, 2024, the catastrophe losses included $15.0 million from the Francis Scott Key Bridge event and $5.8 million of other weather-related events.
- Prior year reserve development on post-LPT years totaled favorable development of $7.1 million for the three months ended March 31, 2025, compared to no development for the three months ended March 31, 2024. This favorable reserve development resulted in a decrease in the loss ratio of 2.4 percentage points.

- The impact of the LPT included an unfavorable movement of $4.9 million, or 1.6 percentage points for the three months ended March 31, 2025, compared with an unfavorable movement of $6.0 million, or 2.0 percentage points for the three months ended March 31, 2024. This reflects reserve development in the 2019 and prior accident years covered by the LPT, net of the movement in the deferred gain on retroactive contracts allocated to the Reinsurance segment.

Acquisition costs

Net acquisition costs were $45.6 million for the three months ended March 31, 2025, equivalent to 15.3% of net earned premiums (March 31, 2024 — $57.2 million or 18.8% of net earned premiums). The decrease in the acquisition cost ratio was mainly attributable to a change in business mix, with a lower volume of business written on the other property reinsurance line of business which attracts higher acquisition costs. The increase in the loss ratio in the period has also resulted in a reduction in profit commission, which has also contributed to the reduction in the acquisition cost ratio.

General and administrative expenses

General and administrative expenses increased by $13.4 million, from $36.6 million for the three months ended March 31, 2024 to $50.0 million for the three months ended March 31, 2025. The general and administrative expense ratio was 16.7% for the three months ended March 31, 2025 compared to 12.0% for the three months ended March 31, 2024. The increase in general and administrative expenses is largely driven by an increase in employee expenses, as well as an increase in the depreciation charged for the period.

Insurance

Our Insurance segment consists of casualty and liability insurance, first party insurance, specialty insurance, financial and professional lines insurance, and other insurance. For a more detailed description of this segment, refer to Item 4, “Business Overview — Business Segments — Insurance” in the Company’s 2024 Annual Report on Form 20-F filed with the SEC.

	Three Months Ended March 31,		
	2025	% Change	2024
	($ in millions, except for percentages)		
Underwriting Revenues			
Gross written premiums	$ 686.5	11.3%	$ 617.0
Net written premiums	377.9	11.7%	338.4
Net earned premiums	403.7	11.8%	361.0
Underwriting Expenses			
Current accident year net losses and loss expenses, excluding catastrophe losses	228.7	3.0%	222.1
Catastrophe losses	17.0	46.6%	11.6
Prior year reserve development, post LPT years	(1.9)	nm	—
Adjusted losses and loss adjustment expenses [1]	243.8	4.3%	233.7
Impact of the LPT	4.1	nm	(4.6)
Losses and loss adjustment expenses	247.9	8.2%	229.1
Acquisition costs	50.1	40.3%	35.7
General and administrative expenses	74.5	19.8%	62.2
Underwriting income	$ 31.2	(8.2)%	$ 34.0
Adjusted underwriting income [2]	$ 35.3	20.1%	$ 29.4

Ratios		% Point Change	
Current accident year loss ratio, excluding catastrophe losses	56.7 %	(4.9)	61.6 %
Catastrophe losses	4.2 %	1.0	3.2 %
Current accident year loss ratio	60.9 %	(3.9)	64.8 %
Prior year reserve development ratio, post LPT years	(0.5)%	(0.5)	— %
Adjusted loss ratio [1]	60.4 %	(4.4)	64.8 %
Impact of the LPT	1.0 %	2.3	(1.3)%
Loss ratio	61.4 %	(2.1)	63.5 %
Acquisition cost ratio	12.4 %	2.5	9.9 %
General and administrative expense ratio	18.5 %	1.3	17.2 %
Combined ratio	92.3 %	1.7	90.6 %
Adjusted combined ratio [2]	91.3 %	(0.6)	91.9 %

nm - not meaningful is defined as a variance greater than +/- 100%.

(1) Adjusted losses and loss adjustment expenses and the adjusted loss ratio are calculated by adjusting the losses and loss adjustment expenses and loss ratio to remove the impact of the LPT. Adjusted losses and loss adjustment expenses and the adjusted loss ratio are non-GAAP financial measures as defined under SEC rules and regulations. The calculations are presented above. Refer to “Reconciliation of Non-GAAP Financial Measures” for further details.

(2) Adjusted underwriting income and the adjusted combined ratio are calculated by adjusting the underwriting income and the combined ratio to remove the impact of the LPT. Adjusted underwriting income and the adjusted combined ratio are non-GAAP financial measures as defined under SEC rules and regulations. The calculations are presented above. Refer to “Reconciliation of Non-GAAP Financial Measures” for further details.

Gross written premiums

The table below shows our gross written premiums for each line of business in our Insurance segment for the three months ended March 31, 2025 and 2024 and the percentage change in gross written premiums for each line of business.

Lines of Business	Three Months Ended March 31, 2025 ($ in millions)	2025 % change	2024 ($ in millions)
Financial and professional lines insurance	$ 290.2	23.9 %	$ 234.2
Casualty and liability insurance	168.3	3.4 %	162.7
Specialty insurance	116.5	9.7 %	106.2
First party insurance	65.0	(2.0)%	66.3
Other insurance	46.5	(2.3)%	47.6
Total	$ 686.5	11.3 %	$ 617.0

Gross written premiums increased by 11.3% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase in financial and professional lines insurance was largely due to continued growth with existing clients participating in our cross class binders products, as well as new business growth in our cyber liability portfolio.

The increase in gross premiums written within casualty and liability insurance was largely attributable to favorable trading conditions in our excess casualty portfolio. These increases were partially offset by reductions in our commercial liability portfolio, primarily driven by timing differences on the writing of premiums and a reduction in renewals due to soft market conditions.

The increase in gross written premiums in specialty insurance was largely attributable to growth with existing relationships in the crisis management portfolio.

Slight reductions have been noted in both the first party insurance and other insurance lines of business, however both lines remain relatively consistent with prior year.

Ceded written premiums

Total ceded written premiums for the three months ended March 31, 2025 was $308.6 million, an increase of $30.0 million from the three months ended March 31, 2024. This increase was largely driven by the increase in gross written premiums, with the retention ratio remaining relatively consistent at 55.0% for the three months ended March 31, 2025, compared to 54.8% for the three months ended March 31, 2024.

Net earned premiums

The table below shows our net earned premiums for each line of business in our Insurance segment for the three months ended March 31, 2025 and 2024 and the percentage change in net earned premiums for each line of business:

Lines of Business	Three Months Ended March 31, 2025 ($ in millions)	2025 % change	2024 ($ in millions)
Financial and professional lines insurance	$ 149.7	19.8 %	$ 125.0
Casualty and liability insurance	93.1	2.2 %	91.1
Specialty insurance	83.7	4.9 %	79.8
First party insurance	58.1	(0.3)%	58.3
Other insurance	19.1	180.9 %	6.8
Total	$ 403.7	11.8 %	$ 361.0

Net earned premiums increased by $42.7 million, or 11.8%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase was due to a $72.8 million increase in gross earned premiums, partially offset by a $30.1 million increase in ceded earned premiums.

Losses and loss adjustment expenses

The loss ratio for the three months ended March 31, 2025 was 61.4%, a decrease of 2.1 percentage points compared to 63.5% for the three months ended March 31, 2024. The main drivers of the change in loss ratio were the following:

- Current accident year loss ratio, excluding catastrophe losses, for the three months ended March 31, 2025 of 56.7%, decreased by 4.9 percentage points compared to the three months ended March 31, 2024 of 61.6%. The majority of this decrease can be attributed to the financial and professional lines insurance line of business, which saw additional claims activity within U.S. management liability in the three months ended March 31, 2024. The current accident year loss ratio, excluding catastrophe losses, for the three months ended March 31, 2025 has reduced closer to the ratio noted for the three months ended March 31, 2023.
- Catastrophe losses increased from $11.6 million for the three months ended March 31, 2024 to $17.0 million for the three months ended March 31, 2025, increasing the loss ratio by 1.0 percentage point. For the three months ended March 31, 2025, catastrophe losses included $11.9 million from the California wildfires, and $5.1 million of other weather-related events. For the three months ended March 31, 2024, the catastrophe losses included weather-related events.
- Prior year reserve development on post-LPT years totaled favorable development of $1.9 million for the three months ended March 31, 2025, compared to no development for the three months ended March 31, 2024. This favorable reserve development resulted in a decrease in the loss ratio of 0.5 percentage points.
- The impact of the LPT included an unfavorable movement of $4.1 million or 1.0 percentage points for the three months ended March 31, 2025, compared with a favorable movement of $4.6 million for the three months ended March 31, 2024. This reflects reserve development in the 2019 and prior accident years covered by the LPT, net of the movement in the deferred gain on retroactive contracts allocated to the Insurance segment.

Acquisition costs

Net acquisition costs were $50.1 million for the three months ended March 31, 2025, equivalent to 12.4% of net earned premiums (March 31, 2024 — $35.7 million or 9.9% of net earned premiums). The increase in the acquisition cost ratio was primarily driven by a change in business mix, with a larger volume of delegated business written which attract higher acquisition costs.

General and administrative expenses

General and administrative expenses increased by $12.3 million, from $62.2 million for the three months ended March 31, 2024 to $74.5 million for the three months ended March 31, 2025. The general and administrative expense ratio was 18.5% for the three months ended March 31, 2025 compared to 17.2% for the three months ended March 31, 2024. The increase in general and administrative expenses is largely driven by an increase in employee numbers and expense alignment in our functions which support corporate activities.

Balance Sheet

Total cash and investments

As at March 31, 2025 and December 31, 2024, total cash and investments, including accrued interest receivable, were $7.9 billion and $7.7 billion, respectively. Total cash and investments increased mainly due to cash generated from operating activities of $105.1 million, and realized and unrealized investment gains of $69.5 million. This was partially offset by the payment of preference share dividends of $12.5 million.

Our investment strategy is focused on delivering stable investment income and total investment returns through all market cycles while maintaining appropriate portfolio liquidity and credit quality to meet the requirements of our customers, rating agencies and regulators. We also consider how our investments should match the liability characteristics in terms of duration and foreign currencies.

As of March 31, 2025, a significant majority of funds available for investment were deployed in a diversified portfolio of high quality, investment grade securities, including U.S. government, corporate and U.S. agency mortgage-backed securities. As part of our strategic asset allocation, we also invest a portion of our portfolio in investments such as unrated private fixed and floating rate investments, and other investments not categorized as fixed income. These securities generally pay a higher rate of interest or return and may have a higher degree of credit or default risk, or less liquidity.

The duration of total fixed income securities (the aggregate of available for sale and trading) as at March 31, 2025 was 3.3 years compared to 2.9 years as at December 31, 2024. In addition, as at March 31, 2025, the average credit rating of these fixed income securities was “AA-,” with 83.9% being rated “A-” or higher. As at December 31, 2024, the average credit rating of our fixed income securities portfolio was “AA-,” with 85.7% being rated “A-” or higher. The average credit rating is calculated using the Bloomberg Barclays Index credit quality methodology.

As at March 31, 2025, the Company had a 3.4% allocation to investment funds and a 1.3% allocation to middle market loans and other private debt (“MMLs”) and commercial mortgage loans (“CMLs”), representing in total 4.7% of our portfolio. As at December 31, 2024, the Company had a 3.5% allocation to investment funds and a 1.8% allocation to MMLs and CMLs representing in total 5.3% of our portfolio.

Cumulative unrealized losses in the available for sale investment portfolio, net of taxes, were $142.8 million as at March 31, 2025, a decrease of $55.4 million from the net $198.2 million unrealized losses as at December 31, 2024. During the three months ended March 31, 2025, the unrealized loss position was reduced largely as a result of reductions in U.S. Treasury yields in the quarter.

As at March 31, 2025, the aggregate fair value of the investment funds was $266.4 million (December 31, 2024 — $267.2 million). For further information regarding these investments, refer to Note 4 of our unaudited consolidated financial statements, “Investments”.

The composition of our cash and investments as at March 31, 2025 and December 31, 2024 is summarized below:

	As at March 31, 2025		As at December 31, 2024	
	Estimated Fair Value	Percentage of Total Cash and Investments	Estimated Fair Value	Percentage of Total Cash and Investments
	($ in millions, except for percentages)			
Fixed income securities — available for sale				
U.S. government	$ 1,407.2	18.0 %	$ 1,480.6	19.3 %
U.S. agency	7.4	0.1	7.2	0.1
Municipal	116.1	1.5	82.3	1.1
Corporate	2,161.8	27.6	1,986.4	25.9
Non-U.S. government-backed corporate	130.2	1.7	131.3	1.7
Non-U.S. government	296.9	3.8	246.8	3.2
Asset-backed	341.3	4.3	234.5	3.1
Agency commercial mortgage-backed	4.5	0.1	4.4	0.1
Agency residential mortgage-backed	622.7	7.9	518.7	6.8
Total fixed income securities — available for sale	5,088.1	65.0	4,692.2	61.3
Fixed income securities — trading				
U.S. government	255.4	3.2	261.3	3.4
Municipal	2.2	0.1	1.6	0.1
Corporate	146.1	1.8	151.1	2.0
High yield loans	109.9	1.4	102.4	1.3
Non-U.S. government-backed corporate	2.8	0.1	2.8	0.1
Non-U.S. government	25.6	0.3	24.4	0.3
Asset-backed	599.7	7.6	625.2	8.2
Agency mortgage-backed securities	30.7	0.4	31.1	0.4
Total fixed income securities — trading	1,172.4	14.9	1,199.9	15.8
Investments, equity method	7.4	0.1	7.3	0.1
Other investments	304.4	3.9	267.2	3.5
Catastrophe bonds — trading	—	—	1.0	—
Privately-held investments — trading				
Commercial mortgage loans	46.0	0.6	79.7	1.0
Middle market loans and other private debt	54.5	0.7	61.0	0.8
Asset-backed securities	125.9	1.6	127.6	1.7
Global corporate securities	4.4	0.1	18.5	0.2
Total privately-held investments — trading	230.8	3.0	286.8	3.7
Privately-held investments — available for sale	25.0	0.3	24.2	0.3
Short-term investments — available for sale	139.6	1.8	261.9	3.4
Short-term investments — trading	19.1	0.2	1.0	—
Cash and cash equivalents	845.2	10.8	914.2	11.9
Total cash and investments	$ 7,832.0	100.0 %	$ 7,655.7	100.0 %
Net payable for securities purchased (1)	$ (37.1)		$ (30.1)	
Accrued interest receivable (2)	59.7		54.6	
Total investable assets	$ 7,854.6		$ 7,680.2	

(1) Net payable for securities purchased consists of a payable for securities purchased of $54.5 million (December 31, 2024 — $36.9 million) and a receivable for securities sold of $17.4 million (December 31, 2024 — $6.8 million). The receivable for securities sold is included within other assets on the consolidated balance sheet.

(2) Accrued interest receivable is included within other assets on the consolidated balance sheet.

As at March 31, 2025 the Company had $38.0 million of investments in equity securities as part of the Company's strategic asset allocation (December 31, 2024 — $Nil).

Reserves for Losses and Loss Adjustment Expenses

Provision is made at the end of each year for the estimated ultimate cost of claims incurred but not settled at the balance sheet date, including the cost of IBNR claims and development of existing reported claims. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage and other recoveries. Estimated amounts recoverable from reinsurers on unpaid losses and loss adjustment expenses are calculated to arrive at a net claims reserve.

Reserves by segment. As at March 31, 2025, we had total net reserve for losses and loss adjustment expenses of $4,220.5 million (December 31, 2024 — $3,950.6 million). This amount represented our best estimate of the ultimate liability for payment of losses and loss adjustment expenses. Of the total gross reserves for unpaid losses of $8,448.9 million at March 31, 2025, a total of $5,556.8 million, or 65.8%, represented IBNR claims (December 31, 2024 — $5,247.7 million and 64.6%, respectively). The following tables analyze the gross and net reserve for losses and loss adjustment expenses by business segment as at March 31, 2025 and December 31, 2024, respectively:

	As at March 31, 2025		
Business Segment	**Gross**	**Reinsurance Recoverable**	**Net**
		($ in millions)	
Reinsurance	$ 3,253.1	$ (1,491.7)	$ 1,761.4
Insurance	5,195.8	(2,736.7)	2,459.1
Total losses and loss adjustment expense reserves	$ 8,448.9	$ (4,228.4)	$ 4,220.5

	As at December 31, 2024		
Business Segment	**Gross**	**Reinsurance Recoverable**	**Net**
		($ in millions)	
Reinsurance	$ 3,165.5	$ (1,474.0)	$ 1,691.5
Insurance	4,957.1	(2,698.0)	2,259.1
Total losses and loss adjustment expense reserves	$ 8,122.6	$ (4,172.0)	$ 3,950.6

Within reinsurance recoverables we have recognized $1,215.4 million of recoverables on the LPT as at March 31, 2025 (December 31, 2024 — $1,190.9 million).

The gross reserves may be further analyzed between outstanding claims and IBNR as at March 31, 2025 and December 31, 2024 as follows:

	As at March 31, 2025			
Business Segment	**Gross Case Reserves**	**Gross IBNR**	**Gross Reserve**	**% IBNR**
		($ in millions, except for percentages)		
Reinsurance	$ 1,319.4	$ 1,933.7	$ 3,253.1	59.4 %
Insurance	1,572.7	3,623.1	5,195.8	69.7 %
Total losses and loss adjustment expense reserves	$ 2,892.1	$ 5,556.8	$ 8,448.9	65.8 %

	As at December 31, 2024			
Business Segment	**Gross Case Reserves**	**Gross IBNR**	**Gross Reserve**	**% IBNR**
		($ in millions, except for percentages)		
Reinsurance	$ 1,343.8	$ 1,821.7	$ 3,165.5	57.5 %
Insurance	1,531.1	3,426.0	4,957.1	69.1 %
Total losses and loss adjustment expense reserves	$ 2,874.9	$ 5,247.7	$ 8,122.6	64.6 %

Prior year loss reserves. For the three months ended March 31, 2025, there was no net change in our estimate of ultimate net claims to be paid in respect of prior accident years. An analysis of this overall net increase/(decrease) by business segment is as follows for each of the three months ended March 31, 2025 and 2024:

Business Segment	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	($ in millions)	
Reinsurance	$ (2.2)	$ 6.0
Insurance	2.2	(4.6)
Total losses and loss adjustment expense reserves changes	$ —	$ 1.4

For the three months ended March 31, 2025. The analysis of the development by each segment is as follows:

Reinsurance. Net favorable reserve development of $2.2 million for the three months ended March 31, 2025, due to the favorable prior year development on post-LPT accident years of $7.1 million, partially offset by the unfavorable impact of the LPT of $4.9 million.

Insurance. Net adverse reserve development of $2.2 million for the three months ended March 31, 2025, due to the unfavorable impact of the LPT of $4.1 million, partially offset by favorable prior year development on post-LPT accident years of $1.9 million.

For the three months ended March 31, 2024. The analysis of the development by each segment is as follows:

Reinsurance. Net reserve strengthening of $6.0 million for the three months ended March 31, 2024, due solely to the impact of the LPT.

Insurance. Net adverse reserve releases of $4.6 million for the three months ended March 31, 2024, due solely to the impact of the LPT.

We did not make any significant changes to the methodologies used in our reserving process between March 31, 2024 and March 31, 2025.

Reinsurance Premiums Payable

Reinsurance Premiums Payable. As at March 31, 2025, we had reinsurance premiums payables totaling $858.6 million compared to $901.1 million at December 31, 2024, a decrease of $42.5 million, primarily driven by the reduction in the fund withheld balance in regards to the LPT contract with Enstar.

B. Liquidity and Capital Resources

Liquidity

Liquidity is a measure of a company's ability to generate cash flows sufficient to meet short-term and long-term cash requirements of its business operations. Management monitors the liquidity of Aspen Holdings and of each of its Operating Subsidiaries and arranges credit facilities to enhance short-term liquidity and capital resources on a stand-by basis. As a holding company, Aspen Holdings relies on dividends and other distributions from its Operating Subsidiaries to provide cash flow to meet ongoing cash requirements, including claims settlements, any future debt service payments and other expenses, and to pay dividends, if any, to our preference and ordinary shareholders.

Aspen Holdings' principal sources of liquidity include (i) cash, cash equivalents and investments, (ii) dividends, capital distributions and interest payments from our Operating Subsidiaries and (iii) our availability under our revolving credit facility and letter of credit facilities. As at March 31, 2025, Aspen Holdings held $84.3 million (December 31, 2024 — $87.8 million) of cash, cash equivalents and investments. Our Operating Subsidiaries collectively paid dividends to Aspen Holdings of $75.0 million and $55.6 million for the three months ended March 31, 2025 and 2024, respectively. As at March 31, 2025, we had $774.0 million of availability for borrowings under our revolving credit facility and letter of credit facilities (December 31, 2024 — $774.0 million). Management considers the current cash and cash equivalents, together with dividends declared or expected to be declared by subsidiary companies and our credit facilities, sufficient to appropriately satisfy planned and expected liquidity requirements of Aspen Holdings for the remainder of 2025 and in light of liquidity projections for the period thereafter. Aspen Holdings' liquidity depends on dividends, capital distributions and interest payments from our Operating Subsidiaries.

Operating Subsidiaries. As at March 31, 2025, the Operating Subsidiaries held $961.1 million (December 31, 2024 — $1,110.2 million) in cash and short-term investments that are readily realizable securities. Management monitors the value, currency and duration of cash and investments held by the Operating Subsidiaries to ensure they are able to meet their insurance and other liabilities as they become due and was satisfied that there was a comfortable margin of liquidity as at March 31, 2025 and for the foreseeable future.

On an ongoing basis, our Operating Subsidiaries' sources of funds primarily consist of premiums written, investment income and proceeds from sales and redemptions of investments. Cash is used primarily to pay reinsurance premiums, losses and loss adjustment expenses, brokerage commissions, general and administrative expenses, taxes, interest, dividends and to purchase new investments. The potential for individual large claims and for accumulations of claims from single events means that substantial and unpredictable payments may need to be made within relatively short periods of time.

We ensure that sufficient cash and short-term investments are held to enable us to meet potential claims without liquidating long term investments and adversely affecting our investment return.

We manage these risks by making regular forecasts of the timing and amount of expected cash outflows and ensuring that we maintain sufficient balances in cash and short-term investments to meet these estimates. Notwithstanding this policy, if these cash flow forecasts are incorrect, we could be forced to liquidate investments prior to maturity, potentially at a significant loss.

Where we incur losses in currencies which are not normally held, we will convert funds into the appropriate currencies to mitigate our currency risk and also make funds available to settle claims in local currencies as and when they become due. For local regulatory reasons, we hold assets in trusts which limits our liquidity to some degree. The process of matching assets with liabilities in currency means, however, that at any one time we will hold cash and short-term assets in all major currencies which are available to settle claims.

The liquidity of our Operating Subsidiaries is also affected by the terms of our contractual obligations to policyholders and by undertakings to certain regulatory authorities to facilitate the issue of letters of credit or maintain certain balances in trust funds for the benefit of policyholders, or restricted for other reasons. The following table shows the forms of collateral or other security provided in respect of these obligations and undertakings as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025	As at December 31, 2024
	($ in millions, except for percentages)	
Regulatory trusts and deposits:		
Affiliated transactions	$ 350.7	$ 433.4
Third party	2,675.0	2,713.5
Letters of credit / guarantees	157.2	153.2
Total restricted assets (excluding illiquid assets)	3,182.9	3,300.1
Other investments — illiquid assets	304.4	267.2
Total restricted assets and illiquid assets	$ 3,487.3	$ 3,567.3
Total as percent of cash and invested assets	44.4 %	46.4 %

Refer to Note 13(a), "Commitments and Contingent Liabilities — Restricted Assets" of our unaudited consolidated financial statements for further detail on our trust fund balances which we are required to maintain in accordance with contractual obligations to policyholders and in compliance with regulatory requirements.

Consolidated cash flows for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	($ in millions)	
Cash flows from operating activities	$ 105.1	$ 102.7
Cash flows from investing activities	(165.9)	(369.3)
Cash flows from financing activities	(12.5)	(13.6)
Effect of exchange rate movements on cash and cash equivalents	4.3	(4.5)
(Decrease) in cash and cash equivalents	(69.0)	(284.7)
Cash and cash equivalents at beginning of period	914.2	1,028.1
Cash and cash equivalents at end of period	$ 845.2	$ 743.4

Total net cash flow provided by operating activities for the three months ended March 31, 2025 was $105.1 million, a $2.4 million increase in cash flow from the equivalent period in 2024. We paid net claims of $214.9 million in the three months ended March 31, 2025 and utilized cash of $165.9 million for investing during the period. Cash flows from financing activities were an outflow of $12.5 million, due to the payment of preference share dividends.

Total net cash flow provided by operating activities for the three months ended March 31, 2024 was $102.7 million, a $15.5 million decrease in cash flow from the equivalent period in 2023. We paid net claims of $187.3 million in the three months ended March 31, 2024 and utilized cash of $369.3 million for investing during the period. Cash flows from financing activities were an outflow of $13.6 million, due to the payment of preference share dividends.

Capital Resources

We maintain our capital at an appropriate level as determined by our internal risk appetite and the financial strength required by our customers, regulators and rating agencies, sufficient to address such capital requirements during 2025 and in light of projected capital requirements for the period thereafter. We monitor and review the Aspen Group and the Operating Subsidiaries' capital and liquidity positions on an ongoing basis. The following table shows our capital structures as at March 31, 2025 compared to December 31, 2024:

	As at March 31, 2025	As at December 31, 2024
	($ in millions)	
Share capital, additional paid-in capital, retained income and accumulated other comprehensive loss	$ 2,490.6	$ 2,401.4
Preference shares (net of issue costs)	699.9	970.5
Long-term debt	300.0	300.0
Total capital	$ 3,490.5	$ 3,671.9

As at March 31, 2025, total shareholders' equity was $3,190.5 million compared to $3,371.9 million as at December 31, 2024. Our total shareholders' equity as at March 31, 2025 includes three classes of preference shares with a total value of $699.9 million net of share issuance costs (December 31, 2024 — $970.5 million, four classes of preference shares).

On January 1, 2025, the Company redeemed all 11,000,000 of its issued and outstanding AHL PRC Shares. Each holder of an AHL PRC Share received $25 per preference share, representing an aggregate amount of $275.0 million.

Our preference shares are classified in our balance sheet as equity but may receive a different treatment in some cases under the capital adequacy assessments made by certain rating agencies. Such securities are often referred to as "hybrids" as they have certain attributes of both debt and equity. Management monitors the ratio of the total of debt and hybrids to total capital which was 28.6% as of March 31, 2025 (December 31, 2024 — 34.6%). Total capital is defined as being shareholders' equity plus outstanding debt.

As at March 31, 2025, Aspen Holdings' material debt outstanding was our term loan facility. As at March 31, 2025 and December 31, 2024, the value of this long-term debt was $300.0 million.

Management monitors the ratio of debt to total capital which was 8.6% as at March 31, 2025 (December 31, 2024 — 8.2%).

Other than those listed above, there were no principal capital management transactions during the three months ended March 31, 2025.

Access to capital. Our business operations are in part dependent on our financial strength, the opinions of the independent rating agencies thereof, and the market's perception thereof, as measured by total shareholders' equity, which was $3,190.5 million as at March 31, 2025 (December 31, 2024 — $3,371.9 million). Our ability to access the capital markets is dependent on, among other things, our operating results, market conditions and our perceived financial strength. We regularly monitor our capital and financial position, as well as investment and securities market conditions, both in general and with respect to Aspen Holdings' securities. Our ordinary shares, preference shares and depositary shares are listed on the NYSE.

Cautionary Statement Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are made pursuant to the "safe harbor" provisions of The Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts. In particular, statements that use the words such as "expect," "intend," "plan," "believe," "aim," "project," "anticipate," "seek," "will," "likely," "assume," "estimate," "may," "continue," "guidance," "objective," "outlook," "trends," "future," "could," "would," "should," "target," "predict," "potential," "on track" or their negatives or variations and similar terminology and words of similar import generally involve forward-looking statements.

All forward-looking statements rely on a number of assumptions, estimates and data concerning future results and events and that are subject to a number of uncertainties, assumptions and other factors, many of which are outside Aspen's control that could cause actual results to differ materially from such forward-looking statements. Accordingly, there are important factors that could cause our actual results to differ materially from those anticipated in the forward-looking statements, including, but not limited to, our exposure to weather-related natural disasters and other catastrophes, the direct and indirect impact of global climate change, our relationship with, and reliance upon, a limited number of brokers for both our insurance and reinsurance business, the impact of inflation, our exposure to credit, currency, interest and others risks within our investment portfolio, our ability to maintain the listing of our Class A ordinary shares on the New York Stock Exchange or another national securities exchange, the impact of compliance obligations with applicable laws, rules and regulations related to being a public company, the cyclical nature of the insurance and reinsurance industry and many other factors. For a detailed description of these uncertainties and other factors that could impact the forward-looking statements in this press release and other communications issued by or on behalf of Aspen, please see the "Risk Factors" section in Aspen's Annual Report on Form 20-F for the twelve months ended December 31, 2024, as filed with the SEC, which should be deemed incorporated herein.

The inclusion of forward-looking statements in this report should not be considered as a representation by us that current plans or expectations will be achieved. Aspen undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Reconciliation of Non-GAAP Financial Measures

In presenting Aspen's results, management has included and discussed certain measurements that are considered "non-GAAP financial measures" under SEC rules and regulations. Management believes that these non-GAAP financial measures, which may be defined differently by other companies, help explain and enhance the understanding of Aspen's results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP.

Average equity, a non-GAAP financial measure, is used in calculating ordinary shareholders return on average equity. Average equity is calculated by taking the arithmetic average of total shareholders' equity on a quarterly basis for the stated periods excluding the average value of preference shares less issuance expenses. Operating return on average equity is calculated by dividing operating income by average equity.

	Three Months Ended March 31,	
	2025	2024
	($ in millions)	
Total shareholders' equity	$ 3,190.5	$ 2,948.0
Preference shares less issuance expenses	(699.9)	(753.5)
Average adjustment	(44.6)	(19.7)
Average equity	$ 2,446.0	$ 2,174.8
Annualized operating return on average equity	8.2 %	19.0 %
Annualized net income, adjusted for preference share dividends, on average equity	3.2 %	18.1 %
Annualized net income, adjusted for preference share dividends, on closing equity	3.2 %	17.9 %

Operating income is a non-GAAP financial measure. Operating income is an internal performance measure used by Aspen in the management of its operations and represents after-tax operating results. Operating income includes an adjustment for the change in deferred gain on retroactive reinsurance contracts in order to economically match the loss recoveries under the LPT contract with the underlying loss development of the assumed net loss reserves for the subject business of 2019 and prior accident years. Operating income also excludes certain costs related to the LPT contract with a subsidiary of Enstar Group Limited, net foreign exchange gains or losses, including net realized and unrealized gains and losses from foreign exchange contracts, net realized and unrealized gains or losses on investments, non-operating expenses and income, and preference share redemption costs.

Aspen excludes the items above from its calculation of operating income because management believes they are not reflective of underlying performance or the amount of these gains or losses is heavily influenced by, and fluctuates according to, prevailing investment market and interest rate movements. Aspen believes these amounts are either largely independent of its business and underwriting process, not aligned with the economics of transactions undertaken, or including them would distort the analysis of trends in its operations. In addition to presenting net income determined in accordance with GAAP, Aspen believes that showing operating income enables users of its financial information to analyze Aspen's results of operations in a manner consistent with how management analyzes Aspen's underlying business performance. Operating income should not be viewed as a substitute for GAAP net income.

Operating Income Reconciliation	Three Months Ended March 31,	
	2025	**2024**
	($ in millions)	
Net income available to Aspen Insurance Holdings Limited's ordinary shareholders	$ 19.9	$ 98.2
Add/(deduct) items before tax		
Net foreign exchange losses/(gains)	12.9	(9.1)
Net realized and unrealized investment losses	0.3	1.0
Non-operating expenses	8.3	6.2
Impact of the LPT, net of certain costs related to the LPT contract with Enstar	11.9	7.8
Non-operating income tax (benefit)	(7.3)	(0.7)
Preference share redemption costs	4.4	—
Operating income	$ 50.4	$ 103.4

General Insurance:

Underwriting result or income/ loss is a non-GAAP financial measure. Income or loss for each of the business segments is measured by underwriting income or loss. Underwriting income or loss is the excess of net earned premiums over the underwriting expenses. Underwriting expenses are the sum of losses and loss adjustment expenses, acquisition costs and general and administrative expenses. Underwriting income or loss provides a basis for management to evaluate the segment's underwriting performance.

Adjusted losses and loss adjustment expenses is a non-GAAP financial measure. It is the sum of current accident year losses, catastrophe losses and prior year reserve strengthening/(releases) post LPT years. Adjusted losses and loss adjustment expenses excludes the change in the deferred gain on retroactive reinsurance contracts and represents the performance of our business for accident years 2020 onwards, which management believes reflects the underlying underwriting performance of the ongoing business.

Adjusted underwriting income or loss is a non-GAAP financial measure. It is the underwriting profit or loss adjusted for the change in deferred gain on retroactive reinsurance contracts in order to economically match the loss recoveries under the LPT contract with the underlying loss development of the assumed net loss reserves for the subject business of 2019 and prior accident years. Adjusted underwriting income represents the performance of our business for accident years 2020 onwards, which management believes reflects the underlying underwriting performance of the ongoing portfolio.

Along with most property and casualty insurance companies, we use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every $100 of net earned premiums, the amount of losses and loss adjustment expenses, and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates an underwriting profit and a combined ratio of over 100 indicates an underwriting loss.

Combined ratio is the sum of the loss ratio and expense ratio. The loss ratio is calculated by dividing losses and loss adjustment expenses by net earned premiums. The expense ratio is calculated by dividing the sum of acquisition costs and general and administrative expenses, by net earned premiums.

Adjusted combined ratio is a non-GAAP financial measure. It is the sum of the adjusted loss ratio and the expense ratio. The adjusted loss ratio is calculated by dividing the adjusted losses and loss adjustment expenses by net earned premiums. The expense ratio is calculated by dividing the sum of acquisition costs and general and administrative expenses, by net earned premiums.

Combined ratios differ from U.S. statutory combined ratios primarily due to the deferral of certain third-party acquisition expenses for GAAP reporting purposes and the use of net earned premiums rather than net written premiums in the denominator when calculating the acquisition cost and the general and administrative expense ratios.

Underwriting Income, Adjusted Underwriting Income, Adjusted Combined Ratio and Adjusted Loss Ratio	**Three Months Ended March 31,**	
	2025	**2024**
	($ in millions, except for percentages)	
Net earned premium	$ 702.7	$ 665.7
Current accident year net losses and loss expenses	363.9	350.7
Catastrophe losses	91.4	32.4
Prior year reserve development, post LPT years	(9.0)	—
Adjusted losses and loss adjustment expenses	446.3	383.1
Impact of the LPT	9.0	1.4
Losses and loss adjustment expenses	455.3	384.5
Acquisition costs	95.7	92.9
General and administrative expenses	124.5	98.8
Underwriting expenses	$ 675.5	$ 576.2
Underwriting income	$ 27.2	$ 89.5
Combined ratio	96.1 %	86.6 %
Adjusted underwriting income [(1)]	$ 36.2	$ 90.9
Adjusted combined ratio [(1)]	94.8 %	86.3 %
Adjusted loss ratio [(1)]	63.5 %	57.5 %

(1) The adjusted underwriting income, adjusted combined ratio and adjusted loss ratio remove the impact of the change in deferred gain on retroactive reinsurance contracts in order to match the loss recoveries under the LPT contract with the underlying loss development of the assumed net loss reserves for the subject business of 2019 and prior accident years. The adjusted underwriting income, adjusted combined ratio and adjusted loss ratio represent the performance of our business for accident years 2020 onwards, which management believes reflects the underlying underwriting performance of the ongoing portfolio.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASPEN INSURANCE HOLDINGS LIMITED

By: /s/ Mark Pickering
Name: Mark Pickering
Title: Chief Financial Officer

Date: June 3, 2025