

Kudu Closes \$250 Million Investment from Oaktree and White Mountains

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New Capital to Support the Acquisition of Further Minority Stakes in Asset Management Firms

NEW YORK, Feb. 5, 2018 /PRNewswire/ -- Kudu Investment Management, LLC ("Kudu"), a leading capital provider to asset management and wealth management firms, announced today that it has closed a \$250 million investment from funds managed by Oaktree Capital Management, L.P. ("Oaktree"), the global alternative investment management firm, and from White Mountains Insurance Group, Ltd. (NYSE: WTM) ("White Mountains"), the Bermuda-domiciled financial services holding company.

Based in New York City, Kudu specializes in providing capital solutions to asset managers and registered investment advisors, including generational ownership transfers, management buyouts, acquisition and growth finance, as well as liquidity for legacy partners. Kudu was launched in 2015 by Rob Jakacki, former Chief Investment Officer of Asset Management Finance and a pioneer in making minority investments in this sector, and Charlie Ruffel, former Chief Executive Officer of Asset International.

"Our partnership with Oaktree and White Mountains enables Kudu to pursue additional opportunities to invest in boutique firms in both traditional and alternative classes. We identify firms with focused capabilities and demonstrated value-added for their clients, where we can apply the flexible capital solutions and management alignment strategy that are the hallmark of our firm," said Rob Jakacki, CEO of Kudu.

"Boutique asset managers are poised to benefit from many of the recent shifts in the asset management industry, including a move towards principal-owned firms that offer a sustainable value proposition," said Charlie Ruffel, Managing Partner of Kudu. "Our opportunity is to partner with the best of those boutiques and allow them to accelerate their growth."

Brian Laibow, Managing Director at Oaktree, said, "We're looking forward to partnering with Kudu as they enter into their new era of growth. We appreciate and support Kudu's vision of investing in mid-size asset managers through minority investment constructs that allow firms to retain the independence and control that served as the foundation for their past successes, while benefiting from the new capital and expertise that Kudu brings."

Manning Rountree, Chief Executive Officer of White Mountains, added, "We are delighted to back Rob, Charlie and the Kudu team, whose experience and capabilities are first rate, and to invest alongside Oaktree. We look forward to a fruitful partnership."

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$100 billion in assets under management as of December 31, 2017. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 900 employees and offices in 18 cities worldwide. For additional information, please visit Oaktree's website at <http://www.oaktreecapital.com/>.

About White Mountains

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange and the Bermuda Stock Exchange under the symbol WTM. Additional financial information and other items of interest are available at the Company's web site located at www.whitemountains.com.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this press release which address activities, events or developments which White Mountains expects or anticipates will or may occur in the future are forward-looking statements. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains:

- *change in adjusted book value per share or return on equity;*
- *business strategy;*
- *financial and operating targets or plans;*
- *incurred loss and loss adjustment expenses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance;*
- *projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;*
- *expansion and growth of its business and operations; and*
- *future capital expenditures.*

These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to its expectations and predictions is subject to risks and uncertainties that could cause actual results to differ materially from expectations, including:

- *the risks that are described from time to time in White Mountains's filings with the Securities and Exchange Commission, including but not limited to White Mountains's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed February 27, 2017;*
- *claims arising from catastrophic events, such as hurricanes, earthquakes, floods, fires, terrorist attacks or severe winter weather;*
- *the continued availability of capital and financing;*
- *general economic, market or business conditions;*
- *business opportunities (or lack thereof) that may be presented to it and pursued;*
- *competitive forces, including the conduct of other property and casualty insurers and reinsurers;*
- *changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its customers;*
- *an economic downturn or other economic conditions adversely affecting its financial position;*
- *recorded loss reserves subsequently proving to have been inadequate;*
- *actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; and*
- *other factors, most of which are beyond White Mountains's control.*

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its business or operations. White Mountains assumes no obligation to publicly update any such forward-looking statements, whether as a result of new information, future events or otherwise.

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