

## Press Release

FOR IMMEDIATE RELEASE

### ALLIED WORLD AND CRESCENT CAPITAL GROUP ANNOUNCE KEY INVESTMENT AGREEMENT

**ZUG, Switzerland- January 10, 2013** -- Allied World Assurance Company Holdings, AG announced today an investment agreement between Allied World Financial Services, Inc., and Crescent Capital Group LP, a privately held asset management firm that specializes in public and private below investment grade assets spanning the entire credit capital structure. Under the terms of the transaction, Allied World Financial Services acquired a minority ownership interest in the firm and Crescent will manage \$500 million of Allied World's investment portfolio to be deployed across a diversified set of credit strategies, over the next several years.

"Crescent Capital has over 20 years of experience investing in below investment grade credit and structured products, and I am extremely confident in its management team and investment process," commented Scott Carmilani, President and CEO of Allied World. "Mark Attanasio, Jean-Marc Chapus and their investment team have a proven track record of generating strong returns for Crescent's client base. Their investment strategies complement Allied World's existing credit strategies and relationships, and we believe this will be an extremely beneficial relationship for both parties."

John Gauthier, President of Allied World Financial Services, added, "Since the launch of our financial services platform, we have announced four strategic partnerships that complement our core insurance and reinsurance operations. We believe these deals will help Allied World manage our expenses, optimize our investments returns, and over time, provide earnings to AWH shareholders. The Crescent transaction, with its diverse credit strategies, will complement our previously-announced transactions, and we are excited about welcoming the Crescent team into our financial services family."

"We are confident our partnership with Allied World will enhance our ability to serve the growing needs of investors looking for proven credit strategies that deliver differentiated risk-adjusted - returns," said Mark Attanasio, Co-Founder and Managing Partner of Crescent Capital. "This investment demonstrates Allied World's confidence in our investment process, people and performance, all of which we have been proud of since founding the group over two decades ago. Jean-Marc Chapus and I, and our team are excited to work with our new partner."

Berkshire Capital Securities, LLC advised Allied World on the transaction.

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### About Crescent Capital

Crescent Capital Group invests at all levels of the capital structure, with a significant focus on below investment grade credit through strategies that invest in senior bank loans, high yield debt, mezzanine debt, distressed debt and select private equity securities. For more than 20 years, these strategies have provided high current income and total return in a variety of market cycles through the group's ability to source and evaluate credit investment opportunities as a result of long-term relationships with financial sponsors, companies and capital markets teams. Each of Crescent's founding partners has more than 25 years of experience in the credit markets, including significant roles in the emergence of the high yield bond and related markets. As of December 31, 2012, Crescent manages over \$11 billion in assets, with a relatively equal split between marketable securities and proprietary closed-end private investment partnerships, and has over 70 professionals across the United States and Europe.

### About Allied World Assurance Company

Allied World Assurance Company Holdings, AG, through its subsidiaries, is a global provider of innovative property, casualty and specialty insurance and reinsurance solutions, offering superior client service through a global network of offices and branches. All of Allied World's rated insurance and reinsurance subsidiaries are rated A by A.M. Best Company, A by Standard & Poor's, and A2 by Moody's, and our Lloyd's Syndicate 2232 is rated A+ by Standard & Poor's and Fitch. Please visit [www.awac.com](http://www.awac.com) for further information on Allied World.

### Cautionary Statement Regarding Forward-Looking Statements

Any forward-looking statements made in this press release reflect our current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. For example, our forward-looking statements could be affected by pricing and policy term trends; increased competition; the impact of acts of terrorism and acts of war; greater frequency or severity of unpredictable catastrophic events; negative rating agency actions; the adequacy of our loss reserves; the company or its subsidiaries becoming subject to significant income taxes in the United States or elsewhere; changes in regulations or tax laws; changes in the availability, cost or quality of reinsurance or retrocessional coverage; adverse general economic conditions; and judicial, legislative, political and other governmental developments, as well as management's response to these factors, and other factors identified in our filings with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We are under no obligation (and expressly disclaim any such obligation) to update or

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revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise.

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