2022

To Our Business Partners,

Thank you for being part of Markel. Whether you're reading this as a shareholder, an associate, or as a customer (and we hope you are at least two out of three), we thank you for being a part of our dream to build one of the world's great companies.

We cannot do it without you, and we thank you for your consistent commitment.

In return for your commitment to us, here is our commitment to you – we pledge to expend every effort, every day, to build one of the world's great companies.

If we continue to do so, and you continue to stay with us, we should both be thrilled with the long-term outcome.

Markel started in 1930. After two generations of family ownership, we went public in 1986 at roughly $8 per share.

By year-end 2022, each share fetched $1,317. That is a compound annual return of roughly 15% for 36 years.

That is the *financial* result so far from chasing this dream. Financial metrics are easy to calculate. But financial metrics are just measurements of the work and commitment expended by people.

People come first at Markel.

The financial results flow from the relationships and efforts of our people.

In 1986, approximately 300 people worked at Markel. Today, more than 20,000 find careers and support their customers, families, and communities, as part of your company.

In 1986, we delivered goods and services to our customers (who are people too) for which they paid us total revenues of approximately $33 million. In 2022, we delivered goods and services for which they paid us total revenues of $11.7 billion. (More on what "total revenues" means for Markel later).

I hope you will concur with our sense of our progress towards the goal of building one of the world's great companies as…

So far, so good.

Financial Highlights

(in millions, except per share data)	**2022**	2021	2020	2019	2018	2017	2016	2015	2014
Total operating revenues	**$11,675**	12,846	9,735	9,526	6,841	6,062	5,612	5,370	5,134
Gross written premiums	**$13,202**	11,439	9,267	8,780	7,864	5,507	4,797	4,633	4,806
Combined ratio	**92 %**	90 %	98 %	94 %	98 %	105 %	92 %	89 %	95 %
Invested assets	**$27,420**	28,292	24,927	22,258	19,238	20,570	19,059	18,181	18,638
Invested assets per common share	**$2,042.73**	2,075.42	1,808.50	1,613.62	1,385.24	1,479.45	1,365.72	1,302.48	1,334.89
Net income (loss) to common shareholders	**$ (250)**	2,389	798	1,790	(128)	395	456	583	321
Comprehensive income (loss) to shareholders	**$(1,309)**	2,078	1,192	2,094	(376)	1,175	667	233	936
Shareholders' equity	**$13,066**	14,717	12,822	11,071	9,081	9,504	8,461	7,834	7,595
Book value per common share	**$929.27**	1,036.20	887.34	802.59	653.85	683.55	606.30	561.23	543.96
5-Year CAGR in book value per common share [1]	**6 %**	11 %	10 %	8 %	7 %	11 %	11 %	11 %	14 %
Closing stock price per share	**$1,317.49**	1,234.00	1,033.30	1,143.17	1,038.05	1,139.13	904.50	883.35	682.84
5-Year CAGR in closing stock price per share [1]	**3 %**	6 %	3 %	11 %	12 %	21 %	17 %	18 %	15 %

(1) CAGR - compound annual growth rate

Win-Win-Win

We attribute much of our success to our efforts to sustain a win-win-win culture. From that culture grows the *system* that is Markel. Our culture is based on the idea that our customers, associates, and shareholders all win because of what we do and how we do it.

Our customers win as we provide what they need or want at fair prices. People need insurance to backstop the uncertainty of life. People need food to eat, medical care, help with changing technology, affordable housing, plants to brighten their day, protection against fires, construction for shelter, industrial gases, truck trailers to carry needs for daily life, and so on and so on.

This is only a partial list of how we serve our customers, who win when we solve their problems and provide what they need to live their lives.

Associates win by being a part of Markel. Their jobs help them support their families and their communities. They create and learn. They find joy that comes from serving customers, and colleagues. They solve problems, find better ways to do things, and make the world a better place through their daily work. That's winning.

Our shareholders win when we earn good returns on the capital we need to operate the company. You can see this win on the scoreboard of our share price growing from $8 to over $1,300 since we went public.

What we do matters.

Each win for our customers, our associates, and our shareholders gives us the fuel and credibility to do it again the next day, the day after that, and so on, ad infinitum.

If the Markel Corporation was an athlete, I would hope the image of someone like a Cal Ripken Jr. or Bill Russell would come to mind.

Thank you again for your role as a customer, an associate, and/or shareholder of Markel. Now, on to some details from last year as well as some thoughts on our goals and aspirations for 2023 and beyond.

2022 (and a little about accounting)

First, this is an annual report letter. As such, we talk about the financial results from the year 2022 and compare them to those of 2021.

However, we'll also talk about longer time frames.

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	**20-Year CAGR [1]**
4,323	3,000	2,630	2,225	2,069	1,977	2,551	2,576	2,200	2,262	2,092	1,770	**10 %**
3,920	2,514	2,291	1,982	1,906	2,213	2,359	2,536	2,401	2,518	2,572	2,218	**9 %**
97 %	97 %	102 %	97 %	95 %	99 %	88 %	87 %	101 %	96 %	99 %	103 %	
17,612	9,333	8,728	8,224	7,849	6,893	7,775	7,524	6,588	6,317	5,350	4,314	**10 %**
1,259.26	969.23	907.20	846.24	799.34	702.34	780.84	752.80	672.34	641.49	543.31	438.79	**8 %**
281	253	142	267	202	(59)	406	393	148	165	123	75	
459	504	252	431	591	(403)	337	551	64	273	222	73	
6,674	3,889	3,388	3,172	2,774	2,181	2,641	2,296	1,705	1,657	1,382	1,159	**13 %**
477.16	403.85	352.10	326.36	282.55	222.20	265.26	229.78	174.04	168.22	140.38	117.89	**11 %**
17 %	9 %	9 %	13 %	11 %	10 %	18 %	16 %	11 %	20 %	13 %	13 %	
580.35	433.42	414.67	378.13	340.00	299.00	491.10	480.10	317.05	364.00	253.51	205.50	**10 %**
14 %	(2)%	(3)%	4 %	(1)%	3 %	19 %	22 %	12 %	19 %	7 %	6 %	

We believe that longer time frames provide a better perspective and data than any one year.

Any given year contains volatility that makes it hard to distinguish skill from luck (both good and bad).

By measuring things five years at a time, as we do for things like our incentive compensation plans for senior executives, the role of luck begins to fade. Five-year periods show more reliable data to make sound judgments.

Then we go one step further. We show you summary data from the last 21 years at the bottom of the first two pages of this letter.

We do this every year to provide you (and ourselves as managers) with a fulsome sense of the progress we are making over decades.

We think providing and emphasizing a multi-decade review is uncommon (and important). We believe that a long-term time horizon matches up with our long-term goal of building one of the world's great companies. A 21-year scorecard gives a far more comprehensive understanding than any one year's results. We never forget, though, that the 21-year scorecard gets constructed one year (and one day) at a time by our daily actions.

As to the single year 2022, we believe as Frank Sinatra sang, "It was a very good year."

When you take a first look at the numbers, it may not jump off the page that way. So here is some more detail as to why we describe ourselves as happy with the results, and with what we accomplished, in 2022.

To start, on the top line we reported "total revenues" of $11.7 billion in 2022 compared to $12.8 billion in 2021. A decline of 9%.

Wait…what?

We're "happy" with this result?

How can that be?

Well, let's talk about what "total revenues" means. As Inigo Montoya said in the movie *The Princess Bride*, "You might want to pick a different word because I don't think that one means what you think it does." GAAP accounting defines the term "total revenues" in such a way that we have to use that word, but "I don't think it means what you think it does."

"Total revenues" include two distinct types of "revenues." One type is the normal recurring revenues from each of our three engines of Insurance, Markel Ventures, and Investments. Our insurance premiums and fee income streams are revenues, sales of the products and services in Markel Ventures are revenues, and interest and dividend income from our investment portfolio are all revenues. That all makes sense to me. We also have some non-recurring revenues in our three engines, like the gains from the sale of our managing general agent businesses this year. For the purposes of this discussion, let's call all of those "orange revenues."

The other component of "revenues", according to GAAP, is the unrealized changes in the value of our equity portfolio. When stock markets decline, as they did in 2022, we report negative revenues from our equity holdings even if we didn't sell anything. Changes in the market price of equities, positive or negative, flow through the line of "total revenues." Let's call those "blue revenues."

I completely agree that we should report on our investment returns, but this strikes me as a curious way to describe them in our financial statements.

To me, it's like talking about chocolate milk and motor oil. Both are fine substances. They both play critical roles in my life. They can both be measured in terms of fluid ounces. That said, I've never combined the two into one composite measurement.

"Total revenues" at a company with financial and non-financial businesses like Markel must combine these two disparate streams into one container labeled "total revenues" as mandated by GAAP accounting.

I would neither drink the contents of that container nor put it in my car's engine. Therefore, I think it's important to break things down into their separate components to help provide greater understanding.

Our "orange revenues" increased 21% to $13.2 billion in 2022 from $10.9 billion in 2021. That is an excellent result. It reflects the superb accomplishments of our associates from all around the world. That number describes how we served our customers with products and services that they needed and wanted. That's why we're happy and proud of what took place in 2022.

Our "blue revenues" swung to a negative $1.6 billion in 2022 compared to positive $1.9 billion in 2021. This is not surprising. Equity markets experienced their worst decline since the 2008 financial crisis, causing our portfolio of publicly-traded stocks to decline in 2022.

In any given year, investment markets tend to be volatile. And, as is the custom, when we use the word volatile in the context of investment markets, we mean down. Sometimes investment markets go up a lot and nobody (including us) describes up years as "volatile" even though it seems like the same word should apply.

That mathematical fact of lower public market prices at year-end 2022 compared to year-end 2021 causes the sum of "orange revenues" and "blue revenues" to show a decline in our GAAP "total revenues." That doesn't strike me as informative. Progress, in this case, doesn't look like progress when you look at it through the GAAP accounting lens.

I hope that by breaking apart the components, you can share my sense of optimism and pride as to what took place at Markel last year. "Orange revenues" rose 21% and are generally more recurring in nature. The annual volatility around that number should be less than "blue revenues."

"Blue revenues" will likely continue to be volatile, especially on an annual basis. Market prices tend to swing much more violently than the value of the underlying businesses they represent. As such, I think it is important to understand both the accounting presentation and what it means. "Blue revenues" start to make sense, and get the direction of things right, arguably only over multi-year time horizons. It takes multiple years to make reasonable judgments about our investments. Over the last five years, we earned an annual return on our equity portfolio of 9.5% and over the last ten years, we earned an annual return of 13.2%.

Insurance Engine

Our Insurance engine, which generates nothing but orange revenues, reported earned premiums of $7.6 billion in 2022, up 17% from $6.5 billion in 2021. We also reported underwriting profits of $627 million, compared to $628 million in 2021. Cumulatively over both years, we earned $1.3 billion in underwriting profit. That amount stands at approximately 4x the $315 million we generated in the *four years* from 2017-2020.

2022 marked another excellent result and positive momentum in our Insurance engine and we are proud of these results.

The 2022 results of both dramatic topline growth, and excellent profitability, should be celebrated.

Fortunately, top line growth and bottom line profitability describe our long-term accomplishments. You can see evidence of this in the five-year and 21-year data included in this report.

Our insurance-linked securities (Nephila) and fronting (State National's Program Services) revenues grew to $485 million in 2022 compared to $328 million in 2021 and our operating income from these operations grew to $193 million from $62 million in 2021.

We've written extensively about our ILS and Program Services operations in previous years and we're glad to be able to report progress this year. State National continues to go from strength to strength and reached new peaks of revenues and operating income in 2022. Our Nephila ILS operation also made meaningful progress in 2022.

Nephila continued to adjust (i.e. raise) prices for property catastrophe reinsurance products. The ongoing level of higher natural catastrophes experienced over the last several years suggest a new normal level of annual catastrophe losses should be expected. Both the capital providers to Nephila, and those seeking to cover the risks, continue to adapt to this new reality.

Changes in climate, along with more affluence over time, have combined to create a situation where more economic activity takes place next to a nice view of the water. As a society, we are all engaged in figuring out how to balance out the various forces involved in such a circumstance.

The team at Nephila continues to do an excellent job of providing the world with real time data through pricing that helps everyone to know the true costs involved in decisions regarding where to live, conduct economic activities, and set governmental policies around these topics.

We are also excited about how the team at Nephila continues to be at the leading edge of creating and providing tools to manage a wider array of risks. In many cases, the work of Nephila helps to address the issues of climate change and the resulting, ongoing, tectonic shifts in energy markets.

For instance, the development of new forms of renewable energy requires providers to commit capital amidst uncertain output and price factors. At the same time, energy users seek certainty in supplies and pricing as they adapt to changes in the sources and uses of energy.

Just as grain processors and farmers have long relied on financial markets to match up uncertainty and volatility to protect and proceed with their operations, the team at Nephila continues to create financial tools to manage uncertainty in ways that can provide protection to people who need it.

We wish we had better and more immediate profits to tell you about from our ILS activities. The learning curve of ILS involved some big and painful bumps along the way. That said, we remain confident that tackling these problems will prove fruitful.

The long-term rewards from these activities could be substantial. These efforts stand as one of the many ways in which we continue to work to "future proof" Markel.

Stay tuned…we'll keep you posted.

In the meantime, we did realize a gain of $226 million from the sale of two managing general agency operations within Nephila in 2022. The proceeds from these sales effectively lower our invested capital in ILS, and provide some validation of our efforts. These two businesses were incubated within Nephila in a modest amount of time and we sold them for attractive gains when we concluded that they were no longer best suited as part of Markel.

We also reduced the carrying value of our investment in Nephila by writing off goodwill of $80 million as part of our normal review of goodwill balances on the balance sheet.

The combination of recapturing some of the capital via the sales and reducing the carrying value via the goodwill write-off should improve our reported returns in 2023 and beyond.

Markel Ventures Engine

Markel Ventures earned record operating revenues of $4.8 billion in 2022, all of which were orange revenues, compared to $3.6 billion in 2021, an increase of 31%. We reported record EBITDA of $506 million in 2022 compared to $403 million in 2021, an increase of 26%.

2022 stands out as a spectacular year for Markel Ventures. First, the record numbers speak for themselves. More importantly, those records took place against a backdrop of continuing and unrelenting labor and material supply chain challenges, and a myriad of ongoing inflation pressures.

It is not easy to raise prices. Our culture compels us to approach our customers with an attitude of service. Our mindset of service makes us reluctant to charge new, higher prices, rather than send a bill with the same price as last time.

That said, even after we work to become more efficient, the costs of doing business continue to increase. Taxes and regulations continue to increase. What we pay our associates continues to increase. The costs of shipping and transportation continue to increase. Everything costs more.

As such, we focus on providing our products and services as efficiently as possible. We also selectively raise prices, where appropriate, to cover our higher costs, and to serve our customers with what they need and want. The managers of the Markel Ventures businesses did a superb job balancing the need to raise prices and strengthening long-term relationships with our customers at the same time. In the aggregate, the management teams of the diversified portfolio of Markel Ventures companies delivered outstanding results.

Despite the record aggregate results in 2022, which included strong overall organic growth, some of our companies experienced a difficult year. Ever since we started the Markel Ventures operations in 2005, we've experienced cyclical ups and downs and specific challenges at different businesses in any given year. This is nothing new.

We continue to respond to every challenge in the same way. We do our best to take realistic looks at each circumstance, and then make rational decisions about what to do next. We also do so while remaining focused on the long-term. We take no short cuts, and we pursue no quick fixes.

We constantly ask ourselves the question, "If this were the only business we or our family was ever going to own, what would we do?"

We try to answer that question to the best of our ability and then we proceed to do just that.

The net result of our Markel Ventures leaders asking this question in some form every day is what you see – record results again in 2022.

We remain optimistic about the long-term contributions from our Markel Ventures operations. These businesses reinforce our culture and provide resiliency, diversification, and cash flow to Markel. We're all better off with each of them as part of the system.

Investment Engine

In our investment operations, we earned record recurring interest and dividend "orange revenues" of $447 million in 2022 compared to $367 million a year ago.

The total return of our equity portfolio was (16.0)% compared to the S&P 500 return of (18.1)%[1] and the NASDAQ Composite return of (32.5)%[2]. Our fixed income portfolio produced a total return of (5.8)% compared to the Bloomberg Aggregate of (13.0)%[3] and the total portfolio produced a total return of (9.5)% for the year.

Negative investment returns are never fun to report.

Despite the negative absolute returns of 2022, I take comfort in several facts about our Investment engine. First, these results took place while following the same time-tested discipline that we've followed for decades. In our fixed income operations, we own a portfolio of the highest credit quality bonds to match against the future claims we expect to pay to our insurance policyholders. We also match the duration and currencies of our fixed income portfolio to our expectation of when we will pay claims.

The job of the fixed income operations is to make sure that when claims come due, we've got the cash and liquidity of maturing bonds to pay them. We continue to execute that strategy without a hitch. Also, as interest rates continue to rise, our recurring interest income continues to grow.

In our equity operations, we continued to follow our four-part, time-tested, discipline. As you will find in this annual letter for decades, those four parts are to invest in profitable businesses with: one, good returns on capital and not too much debt; two, that are run by managers with equal measures of talent and integrity; three, with reinvestment opportunities and/or capital discipline, and; four, at reasonable valuations.

That catechism continues to guide every equity investment decision we make. We have outperformed the S&P 500 results for over three decades, as well as in 2022. Those results speak for themselves.

Another nuanced, but extremely powerful and important, aspect of why we are pleased with the Investment engine results in 2022 is that given the profitability of our Insurance underwriting operations, our Markel Ventures operations, our growing interest and dividend income, and our strong capital position, we were able to continue to invest regularly throughout 2022. As overall equity prices fell during 2022, we put money to work throughout the year at more and more attractive prices (and future expected returns).

A declining market may not be fun while you're in the middle of it, but as the great investor Shelby Cullom Davis once said, "You make most of your money in a bear market, you just don't realize it at the time."

Every time we bought shares in companies that met that four-part test, and every time we paid a lower price for the next batch, we increased the future earning power and value of Markel. It may not be obvious in this year's financial reports, but we believe it should become obvious over time.

Five-year view

When you lengthen time horizons, accounting nuances tend to fade away. The five-year buckets of information give you a more robust, and directionally correct, way of analyzing how things are going for your company:

(dollars in millions, except per share data)	2018 - 2022	2013 - 2017	2008 - 2012
Total revenues	$ 50,623	$ 26,501	$ 11,901
Earned premiums	$ 29,465	$ 19,011	$ 9,695
Underwriting profits	$ 1,777	$ 821	$ 184
ILS and Program Services revenues	$ 1,661	$ 44	N/A
ILS and Program Services operating income (loss)	$ 104	$ (28)	N/A
Markel Ventures revenues	$ 15,168	$ 5,124	$ 1,136
Markel Ventures EBITDA	$ 1,710	$ 623	$ 133
Net investment income	$ 2,067	$ 1,753	$ 1,353
Comprehensive income to shareholders	$ 3,679	$ 3,470	$ 1,375
Closing stock price per share, at end of period	$1,317.49	$1,139.13	$ 433.42

In the single year of 2022, we earned $627 million of underwriting profits. That is 35% of what we earned in underwriting profits in the last five years. As we've discussed in previous years, between the heightened levels of natural catastrophes, the COVID shock losses, and some less than perfect execution

[1] *S&P Dow Jones Indices S&P 500 Equity Factsheet* - S&P Global (*January 31, 2023*)
[2] *US Markets 2022 Review and Outlook* - Nasdaq Market Intelligence Team (*January 3, 2023*)
[3] *Bloomberg U.S. Aggregate bond index total return* - WSJ (*January 2, 2023*)

navigating soft insurance markets, we did not always earn what we would consider appropriate underwriting profits relative to the risk insured and capital deployed.

We worked hard to correct that. Where the causes were internal, and in our control, we addressed them. We changed our mix of business by reducing exposures to natural catastrophe risks. We improved our expense ratio, and we grew our business with discipline.

As an example, the turnaround in profitability of our Reinsurance operations provides vivid and tangible evidence of improvement. In Reinsurance, we improved the segment combined ratio year-over-year to 92% in 2022 from 105% in 2021. We are extremely pleased to be able to report these developments to you.

Insurance accounting inherently contains appropriate and necessary time lags between the time we write a policy and when the earnings show up. Our confidence has grown over time that our Insurance engine results were improving dramatically. Now those improvements are coming through in our results. Yay!

We also remain optimistic that the ongoing trends of growth and profitability you see in this five-year table will continue to move up and to the right over time.

You can fundamentally track our progress over these five-year intervals by simply following the cash.

When we make profits, we allocate that cash across a 360-degree range of options. First, we invest in our current, known and profitable businesses. Second, we invest in publicly-traded equities. Third, we use the cash to buy additional Insurance or Markel Ventures businesses. Fourth, we repurchase our own shares. In some years, like this one, we do all four.

So, how is this all working out?

One part of the assessment is extremely straightforward. If you assume that we will continue to be profitable in our insurance operations, and we do not shrink, the *total* value of the investment portfolio accrues to the shareholders.

The earnings from our investment portfolio are like fruit from a fruit tree.

If you were valuing a fruit tree, the value is the present value of the fruit the tree will produce over time. Same thing with our investment portfolio.

As such, we simply take the total value of our investment portfolio and subtract out all debt, to get an indication of the value of the balance sheet part of Markel.

Another important part of estimating an indication of the value of Markel stems from the *earnings* power of our Insurance and Markel Ventures operations. We take the normal, annualized earnings from those operations and multiply that by a consistent and reasonable multiple year-by-year. That process provides an indication of the total value of Markel's income statement.

Then we add those two parts together to determine our own sense of what each share of Markel is worth.

We track that number every year. Since our initial public offering in 1986, that number correlates to the actual price of Markel stock over time. Sometimes the gap between the two lines is wider, sometimes it is narrower. Over time, both lines head in the same direction.

This is the technique and guidepost we use internally to judge our financial progress.

Others may use different techniques and come to different answers, but this is what we do.

Richie Whitt

As I close this portion of the Annual Report, I want to thank Richie Whitt. Richie retired at the end of 2022 after more than 30 years at Markel.

Richie first came to us as an auditor in the late 1980s. Using the eighties as a starting point through 2022, that means he's been connected to Markel for FIVE DECADES! He's been a critical component of the fantastic growth that we've experienced over that time.

Richie always put the interest of Markel first. He always made decisions while thinking about others. He always tackled every challenge and every circumstance with the thought of, "What would be best for Markel over the long term?" He has dedicated almost his entire adult life to making your Company better, and he has fully embodied the Markel Style each step of the way.

I could ask no more of any human being and I hope you will join me in thanking Richie for his accomplishments and contributions. We couldn't have done it without him.

Additionally, Richie did what all great leaders do. He helped to build and develop a team that will carry on the work of Markel.

Jeremy Noble now runs our Insurance engine as President, Insurance. Jeremy came to Markel more than 20 years ago and he has been an integral part of creating our Insurance engine results for many years.

During 2022 Mike Heaton also moved into the role of Executive Vice President of Markel Corporation. In that role he oversees the day-to-day operations of the Markel Corporation holding company. Mike worked side-by-side with me for the last 15 years building up our Markel Ventures engine and continues to be a trusted and valuable partner to me.

Andrew Crowley now serves as President of Markel Ventures. Andrew, along with Mike, has been part of the Markel Ventures team since our early days. Andrew and his team continue to produce record results. They put people first and continue to build up Markel Ventures.

Thank you, Richie. We will all work to make you proud.

2023 and Beyond

I hope you share our sense of optimism as you review our past performance.

But as is always the case, the past is past. Now it's onto the future.

We don't forecast future economic conditions or geopolitical circumstances. We continue to struggle with the effects of inflation, challenging economic circumstances, currency fluctuations, wars, and generational shifts in workplace dynamics. We do not have any idea what will transpire in those important dimensions.

We never try to forecast these things; and yet, the Markel culture of win-win-win, and our integrated three-engine system, continues to produce good results.

We focus on what we can control and do. We do our best to prepare ourselves to survive and persist no matter what comes our way.

Over decades, we've lived and grown despite bouts of inflation, deflation, dollar strength, dollar weakness, wars, energy shocks, political shocks, labor shortages, natural catastrophes and more. External shocks and challenges like these will never stop coming.

I believe our results over time should give you some comfort that we created a well-designed system that can handle and thrive despite ongoing unpredictable factors.

How we remain resilient, durable, and growing, stems from our integrated architectural design of the three-engine system. Our combination of Insurance, Markel Ventures, and Investments work together to support and reinforce each other continuously.

For example, all three engines benefit from the excess cash that each generates. The cash flows to the holding company where we allocate it across our 360-degree view of options, using our four-part catechism. We can lean into and pursue any rational opportunity we find. Our system and broad range of operations, in and of itself, exposes us to a never-ending array of opportunities. The system should continue to do so.

When business operators think about a forever-home for their cherished business, Markel Ventures should spring to mind. Markel Ventures benefits from the financial strength and marketplace presence of the overall Markel Corporation.

Also, the recurring, reliable nature of our cash flow streams – and their lack of dependence on capital markets' fundraising cycles – allow us to continually deploy capital. This should prove to be a major advantage over the course of a normal economic/market cycle.

Finally, with our system, we benefit from our daily exposure to business conditions and opportunities everywhere in the world of Markel. We don't need to rely on any one business to keep us moving forward. We can absorb volatility and uncertainty more than most organizations. We've got the opportunity to turn challenging short-term conditions into opportunities. And so on and so on.

This entire system, of the engines working together, creates a virtual feedback loop that continuously refreshes and strengthens the whole in ways that any one of the engines could not do alone.

A rope with three interwoven strands is stronger than a single strand rope of the same size. That's what we've got at Markel.

And with each passing year, the beat goes on.

Conclusion

If Markel was an athlete, I hope you would think of us as something like Cal Ripken Jr. or Bill Russell.

Ripken set the record of 2,632 consecutive games played in major league baseball. That surpassed the record of 2,130 games, a record held by Lou Gehrig for 56 years. Only five other players have streaks of over 1,000 games. Every other streak is in the *hundreds*. This consecutive game streak earned Ripken his nickname of "The Iron Man."

Imagine how many people have played baseball over the last century. The scale and context of this record is stunning and will probably endure.

Ripken also was a two-time gold glove fielder, had 3,184 hits, 1,647 runs, 1,695 RBI's, 431 home runs, 1,129 walks, 8,212 assists, and 1,682 double plays. His name is on the list of every one of those baseball records. He clearly earned his first ballot selection into the Hall of Fame.

All those accomplishments get blended into the consecutive game streak though. That is what Ripken is most known for, and it might appropriately stand atop all of his accomplishments.

By showing up every day, Ripken multiplied the force of each of those other accomplishments. He would never have achieved 3,184 hits and all the other feats without being in the lineup every day.

His unrelenting presence, day after day, year after year, created the ability of his teammates to depend on him. His team knew that they could count on him. The sense of dependability he provided to his team can't be measured. The greatness of his baseball career can be described by his numbers, but the numbers tell only part of the story. I don't know how to quantify the team dynamics he created but they seem evident just the same.

Like Ripken, Bill Russell also owns quantifiable accomplishments that speak loudly to his ability.

The Celtics won the World Championship in 11 of his 13 years with the team. He was the NBA's Most Valuable Player five times. The numbers tell only part of the story. Russell, along with his coach and general manager Red Auerbach, knew that there was an unquantifiable piece involved in Russell's value to the Celtics.

Simply put, Russell was not the most prolific scorer, nor dominant in offensive statistics that are easily measured.

Russell's primary contribution was on the defensive side of the ball where it's harder to capture his value in numbers. What is clear is that when Russell was on the floor, the Celtics won. His contributions of things like energy, drive, and the will to win defy quantification. I hope you would agree that they are nonetheless real.

Russell's fierce determination and will to win powered his team far beyond what numbers could capture.

We see the power of the Markel Style in similar terms.

I hope that as you continue to think of Markel, and our dream of building one of the world's great companies, you might think about the careers and contributions of people like Ripken and Russell.

We are a group of more than 20,000 Ripkens and Russells who work every day to do our best to serve our customers, our colleagues, and our shareholders. The streak keeps going, and the numbers keep adding up. They're quantifiable and fun to report, but they don't tell the whole story. "The map is not the territory."

Can the magic and difference-making ability of the "Iron Man," or the feats of Bill Russell be captured entirely in a stat line? What is clear is this - people come first at Markel. Fantastic things happen when people come together, persist towards a common goal guided by a set of shared, timeless values. I thank you for the honor and privilege of serving as your Chief Executive Officer and leading this amazing team of Ripkens and Russells.

We hope to see you in person at our annual meeting in Richmond this year on May 17, 2023. We'll be at the Robins Center at the University of Richmond. Our annual meeting is a great opportunity to connect with the management team at Markel and one another.

We find that the spontaneous conversations and thoughtful questions you ask help us to be better managers at Markel. We would love to see you there. You can register and find more information about the event at www.markelshareholdersmeeting.com.

We're on an exhilarating and fun journey.

We can't do it without you and…We're all suited up and ready to go.

Your teammate,

Thomas S. Gayner, *Chief Executive Officer*