

# Blue Capital Global Reinsurance Fund Limited



November 2016 Fact Sheet

## Key Statistics

### Ticker

LSE BCGR.L/BCGR LN  
BSX BCGR.BH

ISIN BMG1189R1043  
SEDOL B7TT4M6

NAV† \$1.1331

Share Price‡ \$0.9550

Premium/  
(Discount) (15.7)%

Market Cap \$189.6 million

Net Assets \$225.0 million

† NAV per share as at 30 November 2016

‡ Closing mid-price at 30 November 2016

## Key Information

### Launch date

6 December 2012

### Domicile

Bermuda

### Listings

London Stock Exchange (SFM)  
Bermuda Stock Exchange

### Master Fund

Blue Water Master Fund Ltd.

### Investment Manager

Blue Capital Management Ltd.

### Broker

Jefferies International Limited

### Reporting

Monthly NAV

### Target Dividend Yield<sup>1</sup>

LIBOR+6% p.a.

### Target Long-Term Total Return<sup>1</sup>

LIBOR+8% p.a.

### Management Fee

1.5% p.a. (1.25% p.a. for NAV in excess of \$300 million)

### Performance Fee

15% p.a. of returns in excess of high water mark and LIBOR+5% hurdle; subject to LIBOR+8% trigger

## Overview

The investment objective of Blue Capital Global Reinsurance Fund Limited (the "Fund") is to generate attractive returns from a sustainable dividend yield and longer term capital growth by investing substantially all of its assets in a segregated account of Blue Water Master Fund Ltd. This segregated account invests in a diversified portfolio of collateralised reinsurance-linked contracts and other investments whose value is based on insured **catastrophe event risks, which are largely uncorrelated to traditional asset classes**. Blue Capital Management Ltd. ("Blue Capital"), the Fund's investment manager, is wholly owned by Endurance Specialty Holdings Ltd. (NYSE, Ticker "ENH"), a recognised leader in property catastrophe reinsurance.

## NAV Total Return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
2013	0.3%	0.4%	0.5%	0.7%	0.1%	0.8%	1.0%	2.4%	3.2%	1.9%	0.1%	0.0%	11.8%
2014	0.2%	0.3%	0.0%	-0.1%	0.3%	0.4%	1.3%	1.9%	2.4%	1.1%	0.3%	0.5%	8.8%
2015	0.3%	0.3%	0.3%	0.2%	0.2%	0.7%	0.7%	2.0%	2.0%	1.6%	0.5%	0.6%	9.6%
2016	0.4%	0.3%	0.3%	0.2%	(1.8)%	0.5%	1.1%	2.5%	2.8%	(0.2)%	1.0%		7.3%

## Portfolio Overview and Commentary

Investment Type	%	Occurrence Type	%	Geography	%
Quota Share Retrocessional	38%	Property Cat - First Event	67%	Int'l Global/Pan Regional	45%
Indemnity Reinsurance	31%	ILW - Subsequent Event	14%	U.S. Single State	20%
Industry Loss Warranties	14%	ILW - First Event	5%	U.S. Nationwide	18%
Other Non-Property Catastrophe	5%	Property Cat - Subsequent Event	4%	U.S. Regional	9%
Indemnity Retrocession	3%	ILW - Aggregate	2%	Int'l Regional	2%
Retrocessional Hedging	2%	Property Cat - Aggregate	1%	Cash	6%
Cat Bond	1%	Cat Bond	1%		
Cash	6%	Cash	6%		

## Regulatory News

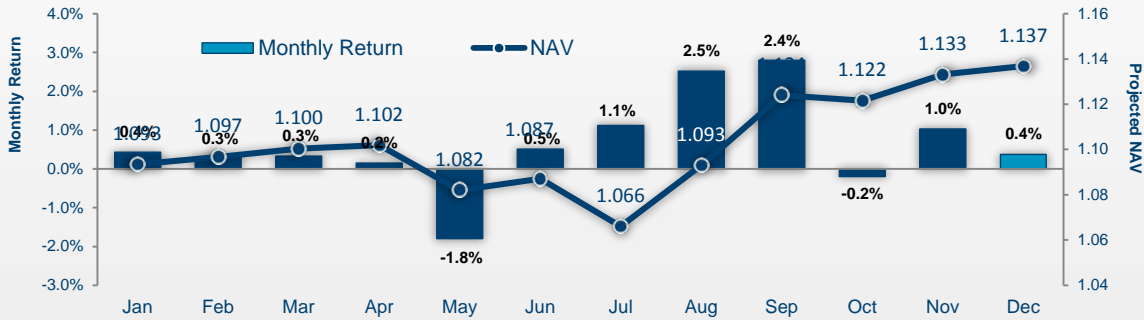
On 4 November 2016, the Fund published a circular to Shareholders in connection with the proposed tender offer and the full text of the circular is available on the Fund's website, <http://ir-bcgr.bluecapital.bm>.

Subsequently, the Tender Offer closed at 1.00 p.m. on 24 November 2016 and the Fund announced that, in accordance with the terms and conditions of the Tender Offer, and following the passing of the proposed ordinary resolutions at the Special General Meeting (the "SGM") as announced on 28 November 2016, tenders for 19,855,391 Shares (representing 10% of the Shares in issue at the Tender Offer Record Date) have been received by the Fund. Further details are provided on the Fund's website.



# Blue Capital Global Reinsurance Fund Limited

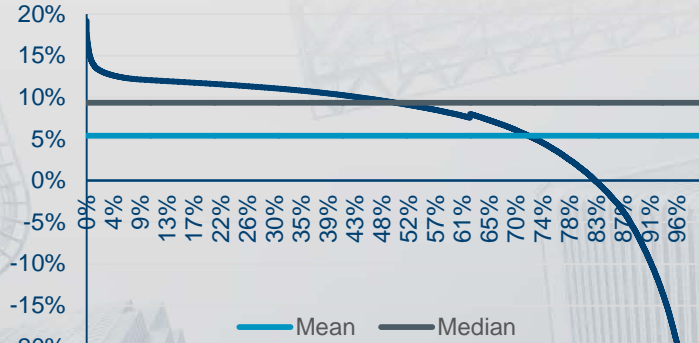
## 2016 "Median Loss" NAV Projections <sup>2</sup>



<sup>2</sup> The hypothetical projected net asset value ("NAV") growth and monthly return projections do not comprise a profit forecast and have been provided for illustrative and comparative purposes only and to demonstrate the impact of the accounting treatment of earning premiums. The projections are derived by reference to the collateral held and to the premiums payable under contracts written to date and take into account the modelled median catastrophe loss. As such, the projections set out above should not in any way be construed as forecasting the Fund's actual NAV growth or returns should the losses not occur. Absent loss events, NAV growth will vary from month to month depending on the underlying risk exposures and the associated premium earnings. For some risks (e.g. Earthquake), premiums are earned on a straight line basis throughout the contract term. For other risks (e.g. U.S. and European Windstorm), the level of risk – and therefore the rate at which premium is earned – varies throughout the year. Blue Capital anticipates that the majority of the Fund's capital will ultimately be exposed to U.S. wind events. Such premium is generally earned between July and November, with September representing the peak earnings month. Any losses will be recognized in the month in which they are incurred. The projected NAV assumes future median modelled catastrophe losses.

## Aggregate Net Return on NAV <sup>3</sup>

Modelled Return Probability	
Mean or Greater	72%
Breakeven or Greater	82%
Loss Greater than > (5%)	12%
Loss Greater than > (10%)	9%
Loss Greater than > (15%)	6%
Loss Greater than > (25%)	2%
Loss Greater than > (35%)	1%



<sup>3</sup> The in force portfolio return summary is provided for illustrative purposes only. The projections are derived by reference to the Fund's portfolio as at 1 July 2016 using AIR: Touchstone version 3.0 and Catrader version 17.0 results extracted from CATM, Endurance's proprietary technology, and do not take into account actual costs, expenses or other factors which are not attributable to the portfolio. As such, the in force portfolio return summary should not in any way be construed as forecasting the Company's actual returns should no losses occur or otherwise.

## Investor Contact



**Adam Szakmary**  
 CEO, Portfolio Manager & Director  
 Blue Capital Management Ltd.

+1-441-278-0400  
 Adam.Szakmary@bluecapital.bm  
[www.bcgrr.bm](http://www.bcgrr.bm)

**Investor Relations**  
 T: +1 441.278.0988  
[investorrelations@endurance.bm](mailto:investorrelations@endurance.bm)

**DISCLAIMER:** Important Information: This fact sheet has been prepared by Blue Capital as investment manager of the Fund, solely to provide additional information to the shareholders of the Fund as a whole and should not be relied on by any other party or for any other purpose.

This fact sheet represents Blue Capital's current views and opinions, which are subject to change without notice. Blue Capital makes no representation or warranty and does not accept any responsibility in relation to such information or for opinion or conclusion which the reader may draw from the factsheet. This fact sheet was prepared using financial information contained in the Fund's books and records as of the reporting date. This information is believed to be accurate and is given in good faith but has not been audited by a third party. This fact sheet describes past performance, which may not be indicative of future results. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested.

This fact sheet contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this factsheet and, by their very nature, are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Blue Capital's actions to differ materially from those expressed or implied in the forward-looking statements.

This fact sheet does not constitute, and is not intended to be, an investment advertisement or invitation to any person in respect of the Fund; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. The information or opinion expressed in this factsheet should not be construed to be a recommendation to buy or sell the financial instruments referred to herein, or to be investment, tax or other advice.

Blue Capital Management Ltd. is licensed to conduct investment business by the Bermuda Monetary Authority.