

# Blue Capital Global Reinsurance Fund Limited



December 2016 Fact Sheet

## Key Statistics

### Ticker

LSE BCGR.L/BCGR LN  
BSX BCGR.BH

ISIN BMG1189R1043  
SEDOL B7TT4M6

Ordinary Share NAV† \$1.1434  
Redemption Share NAV† \$1.1351

Ordinary Share Price‡ \$0.96

Premium/ (Discount) (16.0)%

Market Cap \$171.6 million

Net Assets \$204.3 million

† NAV per share as at 31 December 2016

‡ Closing mid-price at 31 December 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.

## Ordinary Share 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%	0.9%	8.3%

## Portfolio Overview and Commentary

Investment Type	%	Occurrence Type	%	Geography	%
Quota Share Retrocessional	39%	Property Cat - First Event	67%	Int'l Global/Pan Regional	45%
Indemnity Reinsurance	29%	ILW - Subsequent Event	13%	U.S. Single State	20%
Industry Loss Warranties	12%	ILW - First Event	4%	U.S. Nationwide	16%
Other Non-Property Catastrophe	5%	Property Cat - Subsequent Event	4%	U.S. Regional	8%
Indemnity Retrocession	3%	Property Cat - Aggregate	0%	Int'l Regional	0%
Retrocessional Hedging	0%	Cat Bond	1%	Cash	11%
Cat Bond	1%	ILW - Aggregate	0%		
Cash	11%	Cash	11%		

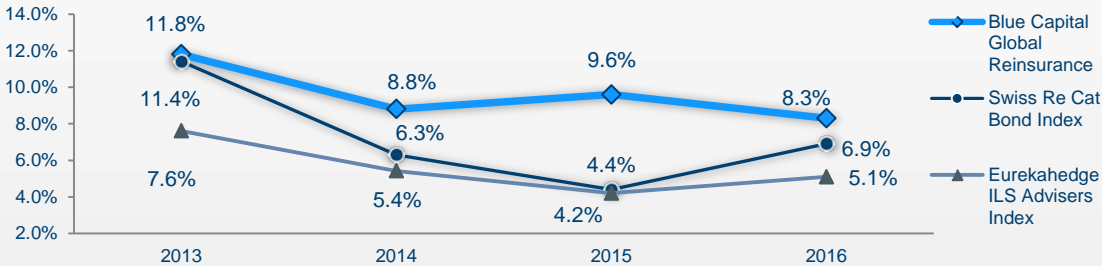
## Portfolio Update

2016 was another good year for the Fund, with growth in NAV in excess of long term targets and positive returns for the fourth straight year in spite of the fact that 2016 was the costliest year for losses over the last five years. Material insured loss events in 2016 included an April Earthquake in Japan, U.S. Severe Weather activity in April, Canadian Wildfires in May, European Flooding in May and June, and Hurricane Matthew in September and October. Our regional approach to risk taking and the investment guideline changes instituted in early 2016 helped the portfolio perform well in 2016 by enhancing the portfolio diversification and by generating a larger income base when compared to previous years.



# Blue Capital Global Reinsurance Fund Limited

## Catastrophe Group Return Comparisons<sup>1</sup>



Note 1. Swiss Re Cat Bond Index, a monthly index that tracks the total rate of return for all outstanding catastrophe bonds. The index is calculated using the Swiss Re Cat Bond Index with data supplied by Bloomberg. Eurekahedge ILS Advisers Index, is a collaborative index between ILS Advisers and Eurekahedge of an equally weighted index of 34 constituent funds. The index is designed to provide a broad measure of the performance of underlying hedge fund managers who explicitly allocate to insurance linked investments and have at least 70% of their portfolio invested in non-life risk. The year end 2016 index return is based on 85.3% of the underlying funds reporting year end data. Sources: Eurekahedge and Bloomberg

## Investor Contact



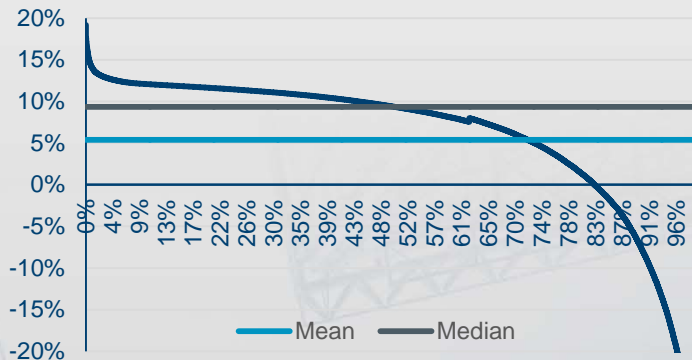
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## Aggregate Net Return on NAV<sup>2</sup>

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>2</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 Ctrader 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 Fund's actual returns should no losses occur or otherwise.

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