

# Blue Capital Global Reinsurance Fund Limited


**BLUE CAPITAL**

January 2015 Fact Sheet

## Key Statistics

### Ticker

LSE BCGR.L/BCGR LN  
BSX BCGR.BH

ISIN BMG1189R1043  
SEDOL B7TT4M6

NAV† \$1.058

Share Price‡ \$1.04

Premium/  
(Discount) -1.7%

Market Cap \$207.1 million

Net Assets \$210.7 million

† NAV per share as at 31 January 2015

‡ Closing mid-price at 31 January 2015

## 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 Hoare Govett

### Reporting

Monthly NAV

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

LIBOR+6% p.a.

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

LIBOR+10% 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+3% hurdle; subject to LIBOR+10% 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 (the "Master Fund") 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 Montpelier Re Holdings Ltd. (NYSE, Ticker "MRH"), a recognised leader in property catastrophe reinsurance since 2001.

## NAV Total Return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	0.3%												0.3%

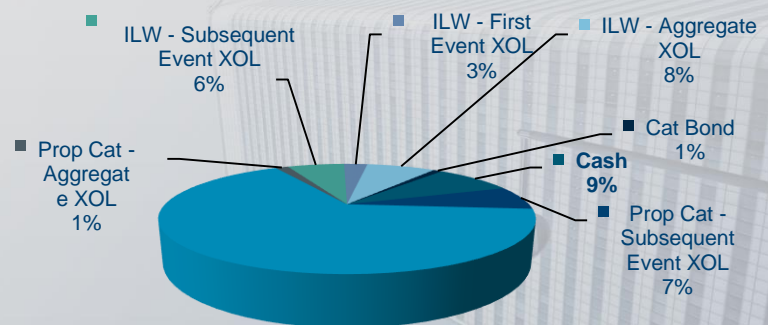
Source: Blue Capital Management Ltd.

## Portfolio Overview

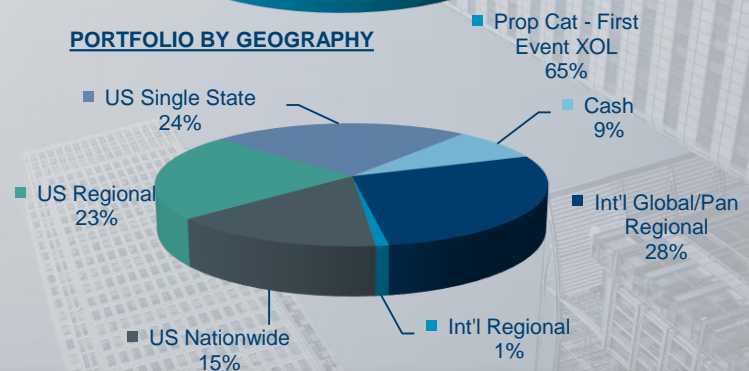
- The portfolio is 91% deployed, with 74% invested in the traditional property catastrophe reinsurance market and 17% in the non-traditional market. The majority of the remaining capital will be deployed in February.
- The Fund continues to be primarily focused on regional and single state/country insurance companies where Blue Capital has strong relationships and a robust understanding of the underlying risk.

## Portfolio Allocation as at 31 January 2015

### PORTFOLIO BY CONTRACT TYPE



### PORTFOLIO BY GEOGRAPHY



# Blue Capital Global Reinsurance Fund Limited



January 2015 Fact Sheet

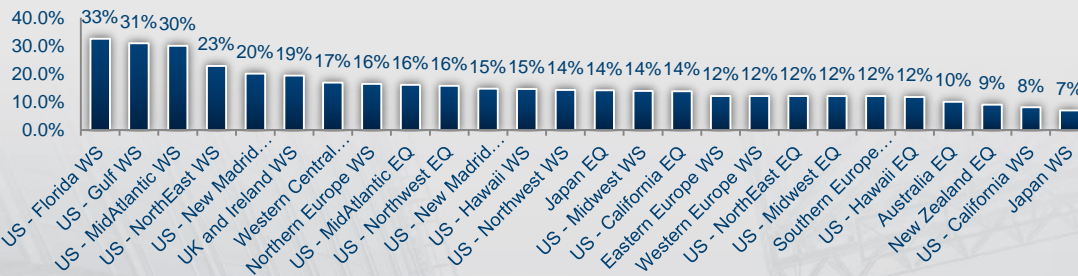
## Market Update

Overall, the Fund faced a competitive underwriting environment with healthy competition from traditional and alternative markets over the important January 2015 renewal period. Blue Capital's differentiated product focus on collateralized reinsurance transactions with smaller, regional insurance companies enabled it to sidestep the most competitive market segments. Overall, the January trades were executed with an average risk adjusted rate decrease of approximately 13% compared to last year. Despite these rate decreases, Blue Capital remains confident that the Fund can deliver attractive returns to its shareholders.

## Recent Announcements

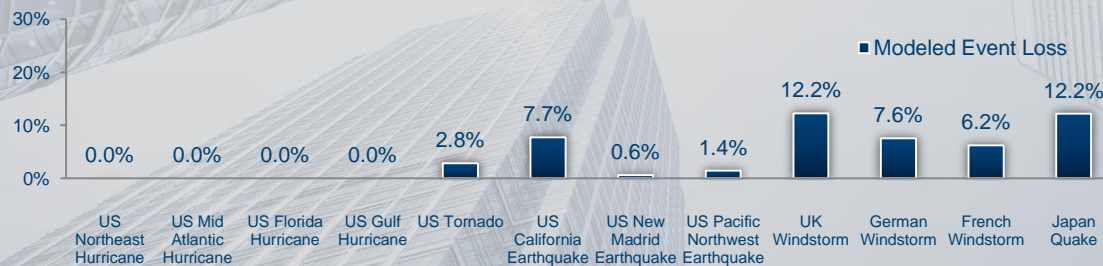
On 29 January 2015, the Fund declared its year-end dividend in respect of the six months ended 31 December 2014 of US\$0.033 per Share, payable on 6 March 2015 to Shareholders on the register on 6 February 2015. The ex-dividend date was 5 February 2015.

## Portfolio Exposure – First Event by Zone / Peril<sup>1</sup>



WS = Windstorm/Hurricane, EQ = Earthquake  
The maximum exposure limit in any one zone is 35% of the Master Fund NAV.

## Modeled Probable Maximum Loss as percentage of NAV<sup>2,3,4</sup>



<sup>1</sup> For contracts that overlap zones, the full policy exposure is counted in each exposed zone. <sup>2</sup> The illustrative portfolio and expected loss impact on the illustrative portfolio are hypothetical and for illustrative purposes only. There is no guarantee that hypothetical catastrophe events would be as illustrated in this slide and would reflect the actual loss impact on the portfolio. Further, the illustrative loss impact does not take into account any costs, expenses or other factors which are not attributable to the reinsurance arrangements, save for the management and performance fees referred to in the assumptions (see footnote 3). As such, the inclusion of the hypothetical returns set out should not in any way be construed as forecasting the actual returns from the portfolio should such hypothetical events occur. <sup>3</sup> Results produced using AIR Version 16.0. <sup>4</sup> Modeled Probable Maximum Losses (PML's) are 1 in 100 year occurrence modeled loss, except for earthquake which is 1 in 250 year.

## Portfolio Manager



**Adam Szakmary**  
Portfolio Manager,  
Blue Capital Management

## Investor Contact



**William Pollett**  
President and CEO,  
Blue Capital Management  
+1-441-299-7576  
bill.pollett@bluecapital.bm  
www.bluecapital.bm

**DISCLAIMER:**  
This document does not constitute a financial promotion or an offer or invitation to any person in respect of the Fund, nor should its content be interpreted as investment or tax advice for which you should consult your independent financial adviser and/or accountant. The information and opinions it contains have been compiled or arrived at from sources believed to be reliable at the time and are given in good faith, but no representation is made as to their accuracy, completeness or correctness. Past performance is not a guide to future performance. 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.