

Blue Capital Global Reinsurance Fund Limited



July 2016 Fact Sheet

Key Statistics

Ticker

LSE BCGR.L/BCGR LN
BSX BCGR.BH

ISIN BMG1189R1043
SEDOL B7TT4M6

NAV† \$1.0663

Share Price‡ \$0.9800

Premium/
(Discount) (8.1)%

Market Cap \$194.6 million

Net Assets \$211.7 million

† NAV per share as at 31 July 2016

‡ Closing mid-price at 31 July 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 Yield¹

LIBOR+6% p.a.

Target Long-Term Total Return¹

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%						1.0%

Portfolio Overview and Commentary

Investment Type	%	Occurrence Type	%	Geography	%
Quota Share Retrocessional	38%	Property Cat - First Event	65%	Int'l Global/Pan Regional	44%
Indemnity Reinsurance	28%	ILW - Subsequent Event	13%	U.S. Nationwide	18%
Industry Loss Warranties	14%	ILW - First Event	5%	U.S. Single State	19%
Indemnity Retrocession	3%	Property Cat - Subsequent Event	4%	U.S. Regional	8%
Other Non-Property Catastrophe	5%	ILW - Aggregate	2%	Int'l Regional	2%
Retrocessional Hedging	2%	Property Cat - Aggregate	1%	Cash	9%
Cat Bond	1%	Cat Bond	1%		
Cash	9%	Cash	9%		

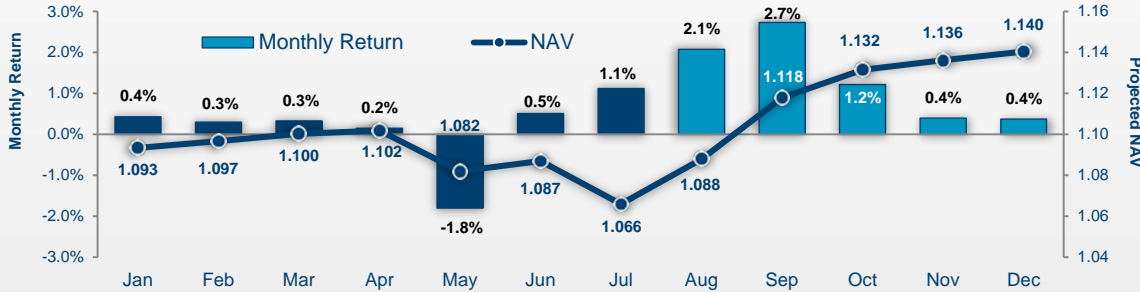
Market Update

Market pricing pressures continued to moderate during the mid-year renewal period. The portfolio experienced risk-adjusted pricing decreases of approximately 2% when compared to 2015. This stabilization in pricing was a positive outcome as a result of the increase in demand in U.S. Hurricane risk during June from Florida specific carriers and Retrocessional buyers. The portfolio continues to be focused on clients and structures that provide the portfolio the most favorable risk adjusted return characteristics for this part of the reinsurance pricing cycle. Although promising signals were evident in the market, Blue Capital continues to be cautious in deployment, non-renewing several programs that were inadequately priced and repositioning capacity to layers that had better relative pricing.



Blue Capital Global Reinsurance Fund Limited

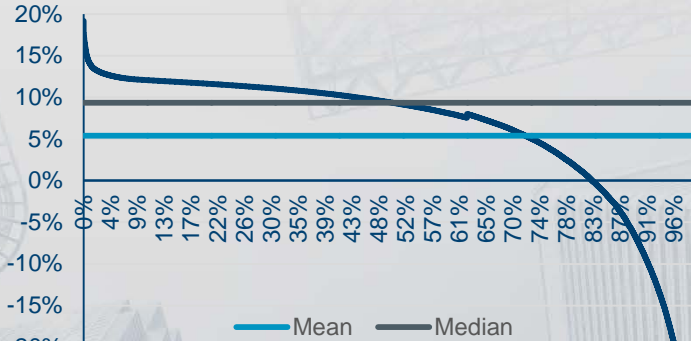
2016 "Median Loss" NAV Projections ²



² 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 cat loss. As such, the projections set out above should not in any way be construed as forecasting the Fund's actual net asset value 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 cat losses.

Aggregate Net Return on NAV ³

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%



³ 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 Worldwide ("AIR") 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. ² Net aggregate return distribution between a mean and median catastrophe year using AIR Version 17.0 results from CATM.

Recent Announcements

The Company announced on 23 June 2016 that it had engaged Jefferies International Limited to effect share buy backs on behalf of the Fund (the "Engagement"). Any repurchases pursuant to the Engagement will be accretive to NAV per Share. Between 23 June 2016 and 4 July 2016, the Fund purchased 555,000 ordinary shares of US\$0.00001 each in the capital of the Fund (the "Shares"). The Shares purchased were cancelled upon acquisition. Following the above purchases, the total number of Shares in issue is 198,553,914.

Investor Contact



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DISCLAIMER:

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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.

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