

Blue Capital Global Reinsurance Fund Limited



October 2016 Fact Sheet

Key Statistics

Ticker

LSE BCGR.L/BCGR LN
BSX BCGR.BH

ISIN BMG1189R1043
SEDOL B7TT4M6

NAV† \$1.1216

Share Price‡ \$1.0080

Premium/
(Discount) (10.1)%

Market Cap \$200.1 million

Net Assets \$222.7 million

† NAV per share as at 31 October 2016

‡ Closing mid-price at 31 October 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%	2.5%	2.8%	(0.2%)			6.2%

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	15%	ILW - First Event	6%	U.S. Nationwide	18%
Other Non-Property Catastrophe	5%	Property Cat - Subsequent Event	4%	U.S. Regional	10%
Indemnity Retrocession	3%	ILW - Aggregate	2%	Int'l Regional	2%
Retrocessional Hedging	2%	Property Cat - Aggregate	1%	Cash	5%
Cat Bond	1%	Cat Bond	1%		
Cash	5%	Cash	5%		

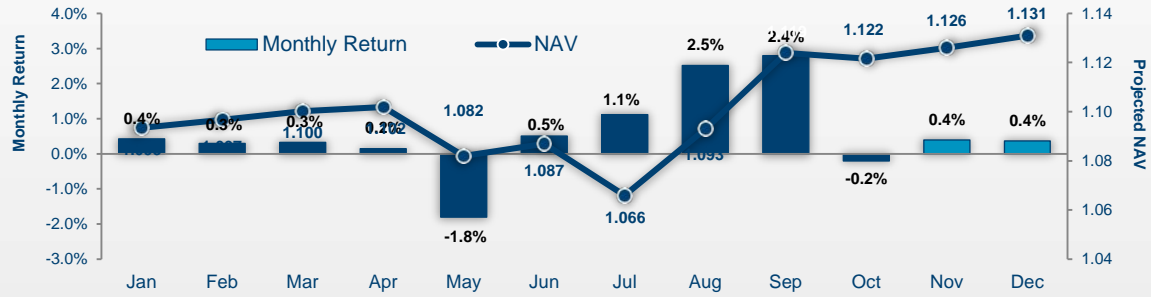
News and Events

During the month, the Fund recorded \$6.8 million of losses primarily related to Hurricane Matthew, which formed and traveled across the Caribbean and alongside the United States from September 29th through October 9th. Normal post-event procedures to estimate any loss to the Fund will continue and the Fund's loss estimates are largely derived from the utilization of proprietary catastrophe modeling, standard industry models, an in-depth review of in-force contracts or initial indications from clients and brokers. The actual losses from Hurricane Matthew may ultimately differ materially from the initial estimated losses due to the nature of the risks assumed, the complexity of the assessment of damages and the limited number of reported claims received to date.



Blue Capital Global Reinsurance Fund Limited

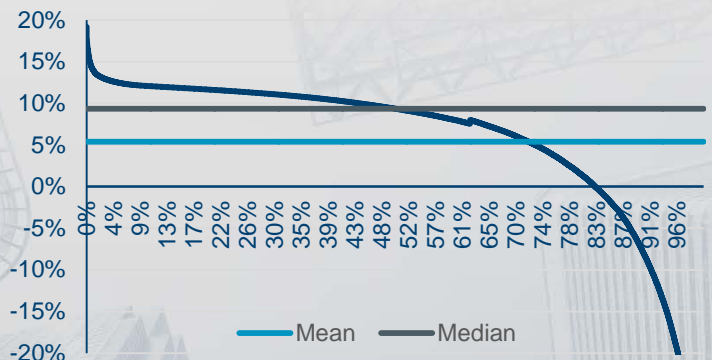
2016 "Median Loss" NAV Projections ²



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 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 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: 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.

Regulatory News

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

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