

# GOLUB CAPITAL RE



## **Introduction to Golub Capital Reinsurance (“Golub Capital Re”)**

April 2014

CONFIDENTIAL – FOR DISCUSSION PURPOSES ONLY

## Disclaimer

This document and any other information relating to Golub Capital Reinsurance, Ltd. (“Golub Capital Re” or the “Company”) is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with further diligence of the Company. Acceptance of this document constitutes an agreement to keep all information relating to the Company strictly confidential, and not to use such information for any other purpose. Such information, including this document, may not be reproduced in whole or in part, and may not be delivered to any person without the consent of Golub Capital.

These materials do not constitute an offer to sell or a solicitation of an offer to buy interests in the Company. No such offer or solicitation in the Company will be made prior to the delivery of the Company’s offering documentation. Before making an investment decision with respect to the Company, potential investors are advised to read carefully the Company’s offering documentation, and to consult with their tax, legal and financial advisors.

These materials contain a preliminary summary of the purpose and principal business terms of the Company; this summary does not purport to be complete and is qualified in its entirety by reference to the more detailed discussions contained in the Company’s offering documentation. These materials have been prepared solely as preliminary materials to determine investor interest in the Company and may not be used or reproduced for any other purpose. The strategies described herein are subject to change. Any past performance described herein is not an indication of future results.

It is expected that the Company will enter into an investment management agreement with GC Investment Management LLC, an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) in reliance upon GC Advisors LLC’s registration. GC Advisors LLC is an investment adviser registered with the SEC. For a detailed description of GC Advisors LLC and GC Investment Management, LLC and their respective investment advisory fees, see GC Advisors LLC’s Form ADV Parts 1 and 2A on file with the SEC.

Some of the statements in this presentation constitute forward-looking statements, which relate to future events or our future performance or financial condition. For a discussion of some of the important factors that could cause the Company’s results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, investors should read the Risk Factors set forth in the Company’s offering documentation and with the understanding that our actual future results may be materially different from what we expect. We have based the forward-looking statements included in this presentation on

information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. Actual results could differ materially from those implied or expressed in our forward-looking statements for any reason, and future results could differ materially from historical performance. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words “may,” “might,” “will,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “estimate,” “anticipate,” “predict,” “potential,” “plan” or similar words.

This presentation contains statistics and other data that has been obtained from or compiled from information made available by third-party service providers. We have not independently verified such statistics or data.

For a discussion of some of the important factors that could cause the Company’s results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, investors should read the Risk Factors set forth in the Company’s offering documentation and with the understanding that our actual future results may be materially different from what we expect.

An investment in the Company is speculative in nature, involves a significant degree of risk, and there is no guarantee or representation made that the Company will achieve its investment objectives. Investment in the Company is only suitable for sophisticated investors and requires the financial ability and willingness to accept the significant risks and lack of liquidity inherent in an investment in a speculative illiquid investment. Investors must be prepared to bear such risks for an extended period of time. No assurances can be given that the Company’s investment objectives will be achieved or that investors will receive a return of their capital. Investment in the Company will involve significant risks due to, among other things, the nature of the Company’s investments and operating activities and the fact that there will be no public market for interests in the Company. The Company’s success will depend on, among other things, the skills of the professional personnel of the Company. Investors should possess the financial wherewithal to withstand loss of the entire value of their investment in the Company.

## Table of Contents

Section 1	Overview of Golub Capital Re . . . . .	3
Section 2	Investment Highlights . . . . .	6
Appendix A	Introduction to Reinsurance . . . . .	25
Appendix B	Supporting Materials . . . . .	28

Section 1

## Overview of Golub Capital Re

# The Golub Capital Re Opportunity

---

## Golub Capital Re

- A Bermuda-based casualty reinsurance company that will invest substantially all of its investable assets with Golub Capital
- Investment strategy similar to the Golub Capital Partners funds (the “GCP Funds”) with a focus on senior secured, middle market lending
- Target annual net return to investors<sup>1</sup> of 15%+
- Tax deferral and long-term capital gains treatment

## **We currently intend to take Golub Capital Re public within two years and believe it will trade at a premium to net asset value**

- We are seeking to replicate the success we achieved in creating Golub Capital BDC, Inc.<sup>2</sup>
- Golub Capital Re will reinvest profits for growth in net asset value rather than provide current income

1. Please see the page titled, “Golub Capital Re Illustrative Financial Projections” in this presentation.

2. Please see page titled, “Golub Capital Re Targets Consistent Growth in Book Value per Share and a Premium Valuation” in this presentation.

Note: Golub Capital Re is a newly formed company with no trading history. Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Past performance is no indication of future success.

# The Golub Capital Re Opportunity (continued)

---

We are offering select investors the opportunity to purchase shares in Golub Capital Re at book value<sup>1</sup> in a private placement (the “Offering”)

Target equity capitalization  
for the company is **\$750 million**

Private placement  
expected to be  
approximately  
**\$300 million**

Most of the capital  
is expected to  
come from existing  
Golub Capital investors

Golub Capital  
employees and their  
families are collectively  
expected to invest  
approximately  
**\$75 million<sup>2</sup>** in the  
company, more than  
they have invested in  
any product launch in  
the firm’s history

We expect that a  
leading U.S. property  
casualty insurance  
company will subscribe  
for a portion of the  
private placement as  
a strategic investor

- Offering expected to close on June 30th

1. Book value per share before transaction expenses.

2. Includes approximately \$50 million of cash and \$25 million of indirect interests through limited partnerships managed by Golub Capital affiliates.

Note: Golub Capital Re is a newly formed company with no trading history. Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Past performance is no indication of future success.

## Section 2

# Investment Highlights

# Golub Capital Re: Investment Highlights

---



Projected IRR to Investors in Excess of 15% While Gaining Exposure to an Investment Strategy Similar to the GCP Funds



Tax Efficiency: Both Tax Deferral and Long-Term Capital Gains Treatment Expected



Exposure to an Attractive Asset Class with Golub Capital, a Leader in Middle Market Senior Secured Lending



Repeating the Success of GBDC: Potential for Liquidity and a Premium Valuation



Strong Alignment of Interests Between Shareholders, Management and Sponsor



Proven Reinsurance Management Team with 29 Years Average Industry Experience

Past performance is not necessarily indicative of future results.




# Golub Capital Re Tax Efficiency


---

We are structuring Golub Capital Re with a goal of attaining the following tax attributes:


---

-  No corporate income tax at the Golub Capital Re level

---

  -  No material tax on Golub Capital Re's investment income

---

  -  No U.S. tax on dividends or capital gains from Golub Capital Re shares for non-U.S. or tax exempt holders

---

  -  No tax on Golub Capital Re income for U.S. taxable shareholders until they sell shares
    - Accordingly, retained earnings compound tax-free and increase net asset value per share
    - Upon a sale, the gain in share price should be taxed at preferential long-term capital gains rates
- 

Tax issues are complex, and the information presented above is only a summary of certain tax features of the Golub Capital Re structure. There is no guarantee that the tax goals presented above will be achieved, and if these goals are not achieved, you may be responsible for the payment of certain taxes in connection with your investment. You should consult the tax-related information contained in the Golub Capital Re offering documents and your legal, tax and accounting advisers prior to making an investment in Golub Capital Re.

# Middle Market Senior Secured Lending Is an Attractive Asset Class

---

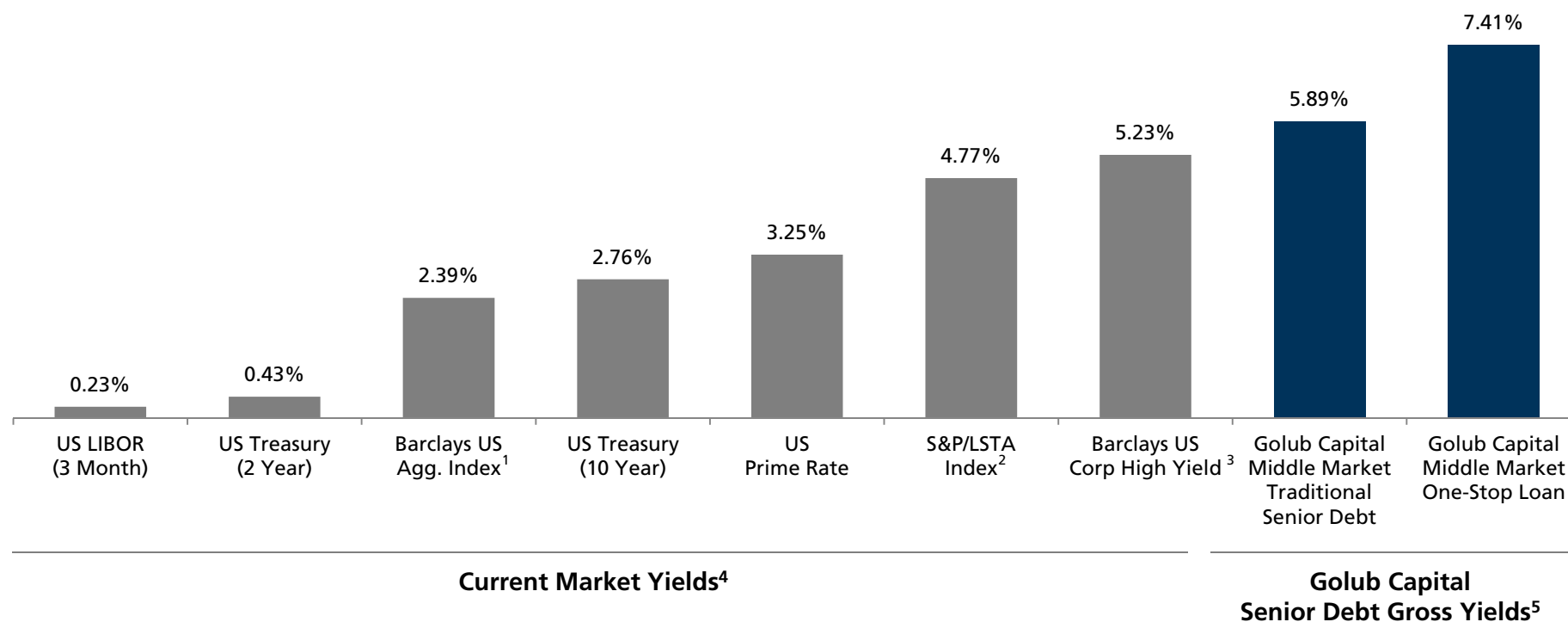
## Senior secured middle market loans

- ✓ Offer floating yields at a premium to traditional fixed income with strong asset protection<sup>1</sup>
- ✓ Have historically had low volatility and limited correlation to liquid fixed income and equity markets<sup>2</sup>
- ✓ Large lending opportunity set. U.S. middle market companies amount to approximately one-third of private sector GDP<sup>3</sup>

- Borrowers are generally healthy U.S. companies with stable earnings (\$10–50 million EBITDA) that are generally too small to access the liquid debt markets
- Banks continue to retreat from middle market lending due to changes in the regulatory landscape<sup>4</sup>
- Middle market loan asset class has consolidated around a select group of leading players, including Golub Capital, who are well-positioned for continued market leadership<sup>5</sup>

1. Please see page titled, “Superior Floating Rate Income from Senior Secured Debt: The Role of Middle Market Lending” in this presentation.  
2. P&I Senior Secured Loans Supplement ([http://supplement.pionline.com/retirement/\\_pdf/LSTA\\_2012.pdf](http://supplement.pionline.com/retirement/_pdf/LSTA_2012.pdf)).  
3. The National Center for the Middle Market study entitled “Middle Market Indicator 3Q 2013”.  
4. Please see page titled, “Reduced Supply of Capital” in this presentation.  
5. Please see page titled, “Golub Capital’s Market Leadership” in this presentation.

# Middle Market Lending: Superior Floating Rate Income from Senior Secured Debt



1. Yield to Worst. The Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.
2. S&P/LSTA reflects discounted spread to maturity and excludes defaults.
3. Yield to Worst. The Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.
4. US Treasury yields, US LIBOR, US Prime Rate, S&P/LSTA Index and Barclays yields as of March 31, 2014.
5. Golub Capital Senior Debt yields assume pricing of L+450 for traditional senior debt and L+600 for one-stop loans with a LIBOR floor of 1.00% and closing fees of 1.00%. Assumes a 3-year repayment. Yield does not reflect the deduction of management and incentive fees, which will reduce an investor's return. Actual results may vary. Past performance may not be indicative of future results. Investments are subject to risk of loss.

Source for Index Data: Barclays Capital and S&P/LSTA.

Note: All indices designed, calculated and published by third parties and presented herein are the property of their respective owners. Golub Capital makes no representations about the accuracy or appropriateness of the data reported by such third party data sources and such companies have not endorsed the contents of this presentation.

# Golub Capital: A Leader in Middle Market Senior Secured Lending

One of the largest lenders to U.S. middle-market companies controlled by private equity firms

## 20 years in business

Over \$10 Billion in Capital <sup>1</sup>	<ul style="list-style-type: none"><li>▪ Including over \$1.25 billion from prestigious insurance companies</li><li>▪ Approximately \$7 billion of middle market loans</li><li>▪ Over 175 employees with more than 60 investment professionals</li></ul>
Market Leadership	<ul style="list-style-type: none"><li>▪ Top three lender in Thompson Reuters middle market lending league table each year since 2008<sup>2</sup></li></ul>
History of Attractive, Stable Returns	<ul style="list-style-type: none"><li>▪ History of low default rates<sup>3</sup></li><li>▪ Each of the GCP Funds has provided a net IRR<sup>4</sup> to investors over 11% inception-to-date</li></ul>

1. As of April 1, 2014. Capital under management is an internal measure and includes undrawn capital commitments and leverage facilities.

2. Please see page titled, “Golub Capital’s Market Leadership” in this presentation.

3. Please see page titled “History of Low Default Rates” in this presentation.

4. Please see page titled, “Golub Capital Has a Long History of Attractive, Stable Returns” in this presentation.

# Golub Capital's Market Leadership

## Traditional Middle Market Bookrunner League Tables

### 2013 League Table

<b>1. Golub Capital</b>
2. Madison Capital Funding <sup>1</sup>
3. GE Capital
4. Royal Bank of Scotland
5. BMO Capital Markets

### 2012 League Table

<b>1. Golub Capital</b>
1. GE Capital
3. Madison Capital Funding <sup>1</sup>
4. BMO Capital Markets
5. Fifth Third Bank

### 2011 League Table

<b>1. Golub Capital</b>
1. GE Capital
1. Madison Capital Funding <sup>1</sup>
4. BMO Capital Markets
5. US Bancorp

### 2010 League Table

1. GE Capital
2. Madison Capital Funding <sup>1</sup>
<b>3. Golub Capital</b>
4. US Bancorp
5. BMO Capital Markets

### 2009 League Table

<b>1. Golub Capital</b>
2. US Bancorp
3. GE Capital
4. CIT Group Inc
5. Madison Capital Funding <sup>1</sup>

1. Madison Capital Funding LLC is an affiliate of New York Life Investment Management LLC.

Source: Thomson Reuters Loan Pricing Corp. and internal data.

Market participants submit transaction data voluntarily to Thomson Reuters LPC ("Reuters"). As a result, the table above may not reflect all deals entered into during the time periods indicated. The data that Golub Capital submitted to Reuters does not include 47 Golub Capital deals, which were excluded to prevent the disclosure of confidential and/or proprietary information, but which are included in this table. Rankings are based on the number of deals. In the event of a tie, each company is listed with the same rank and Golub Capital is placed first. This table includes debt used for LBOs with total facilities less than or equal to \$100MM.

# Golub Capital Has a Long History of Attractive, Stable Returns

## Golub Capital Lending Fund Investment Returns (Net of Management Fees, Carried Interest and all Expenses)

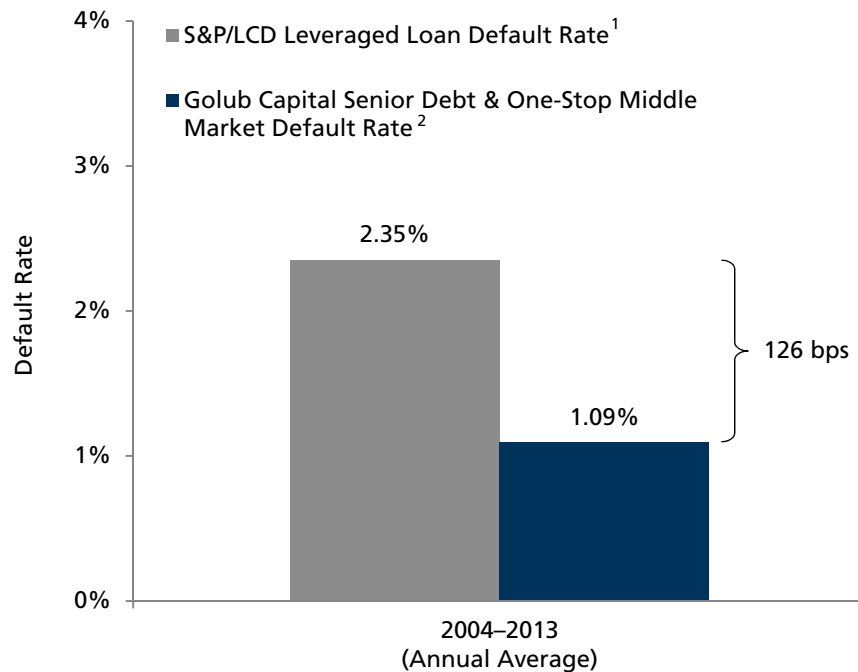
Funds	Inception Date <sup>1</sup>	Primary Focus	Net Annual Returns <sup>2</sup>									Net Investor IRR <sup>2</sup> Since Inception
			2005	2006	2007	2008	2009	2010	2011	2012	2013	
<b>Leveraged Funds<sup>3</sup></b>												
Golub Capital Partners III	Jan-99	Junior Debt	–	–	–	–	–	–	–	–	–	21.6% <sup>4,5</sup>
Golub Capital Partners IV	Aug-04	Senior and Junior Debt	16.1%	20.1%	18.3%	-6.6%	22.5%	20.1%	14.8%	11.7%	–	14.3% <sup>5</sup>
Golub Capital Int'l	Jul-06	Senior and Junior Debt	–	14.4%	10.1%	3.4%	13.4%	13.7%	14.2%	13.5%	9.3%	11.3%
Golub Capital Partners V	Oct-06	Senior and Junior Debt	–	20.5%	12.4%	1.5%	18.1%	17.3%	9.8%	13.3%	13.0%	12.2%
Golub Capital Partners VI	Apr-08	Senior and Junior Debt	–	–	–	6.5%	10.9%	15.5%	9.1%	11.6%	12.4%	11.7%
Golub Capital Partners VI Int'l	May-08	Senior and Junior Debt	–	–	–	9.5%	9.0%	13.9%	14.0%	11.5%	–	11.7% <sup>5</sup>
Golub Capital Partners VII	Oct-10	Senior and Junior Debt	–	–	–	–	–	15.0%	13.7%	12.2%	10.1%	12.0%
Golub Capital Partners VII Int'l	Oct-10	Senior and Junior Debt	–	–	–	–	–	12.5%	13.7%	11.5%	9.3%	11.4%
GC Direct Lending Insurance Fund, L.P. <sup>6</sup>	Jan-12	Senior and Junior Debt	–	–	–	–	–	–	–	12.5%	11.7%	12.0%
Golub Capital Partners VIII Int'l	Apr-12	Senior and Junior Debt	–	–	–	–	–	–	–	14.7%	9.6%	11.9%
Golub Capital Partners VIII	Jul-12	Senior and Junior Debt	–	–	–	–	–	–	–	17.9%	10.7%	12.5%
<b>Unleveraged Funds</b>												
GC Mezzanine Partners	Sep-09	Junior Debt	–	–	–	–	–	12.5%	8.9%	10.9%	13.5%	11.2%
GC PEARLS Direct Lending Program	Apr-11	Senior Debt	–	–	–	–	–	–	7.6%	7.6%	6.4%	6.9%

Note: As of 12/31/13. Past performance does not guarantee future results. Investments are subject to the risk of loss. This performance table is accompanied by the *Historical Track Record Footnotes* and *Important Investor Information* at the end of this presentation, which are an integral part of this performance presentation. The funds listed above represent all Golub Capital middle market lending funds with a commitment amount of greater than \$20 million and which have been investing for at least 6 months, excluding funds with only one institutional client and their affiliates. All IRRs shown are for a first close limited partner except for Golub Capital International, which is for a second close limited partner, and GC PEARLS Direct Lending Program, L.P., which is presented for the limited partners of the fund, taken as a whole. The IRRs shown reflect the deduction of the management fee and the incentive fee for a full promote limited partner with the exception of GC Direct Lending Insurance Fund, L.P., which reflects the deduction of the management fee, the incentive fee for a full promote limited partner, and the mortality and expense fee, but does not include a deduction for insurance costs. This table excludes certain funds with non-comparable strategies.

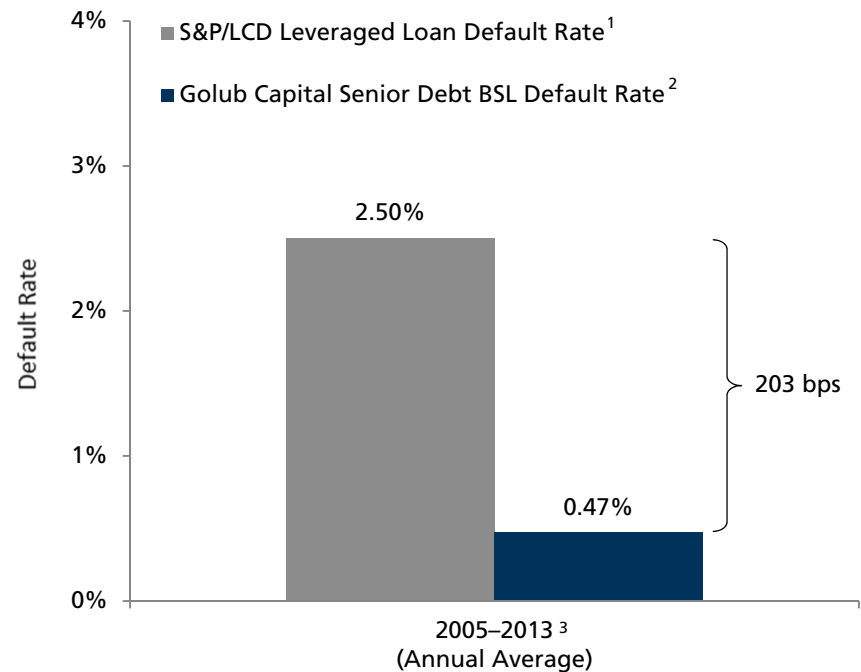
# History of Low Default Rates

Default rates for Golub Capital senior loans have been significantly below that of the broader leveraged loan market

Historical Market Default Rates of Leveraged Loans vs. Golub Capital Senior Debt & One-Stop Middle Market Loans



Historical Market Default Rates of Leveraged Loans vs. Golub Capital Senior Debt BSL Loans



1. Source: *Standard & Poor's Leveraged Commentary & Data* (The S&P/LCD is a market value-weighted index designed to measure the performance of the U.S. broadly syndicated leveraged loan market. The S&P/LSTA Index typically encompasses anywhere from 90%-95% of the entire broadly syndicated leveraged loan market). Trailing 12-month leveraged loan default rate by principal amount.
  2. Data calculated as the aggregate principal amount of leveraged loans on a cost basis that experienced an uncured payment default during the year, expressed as a percentage of aggregate outstanding leveraged loans at the end of the period. Data is a composite of Golub Capital loans and not specifically loans that are held by any Golub Capital managed entity.
  3. Golub Capital's BSL business unit commenced in 2005.
- Note: There is no guarantee that future investments will maintain historical default levels. All indices designed, calculated and published by third parties and presented herein are the property of their respective owners. Golub Capital makes no representations about the accuracy or appropriateness of the data reported by such third party data sources and such companies have not endorsed the contents of this presentation.

# Golub Capital Re Targets Consistent Growth in Book Value per Share and a Premium Valuation

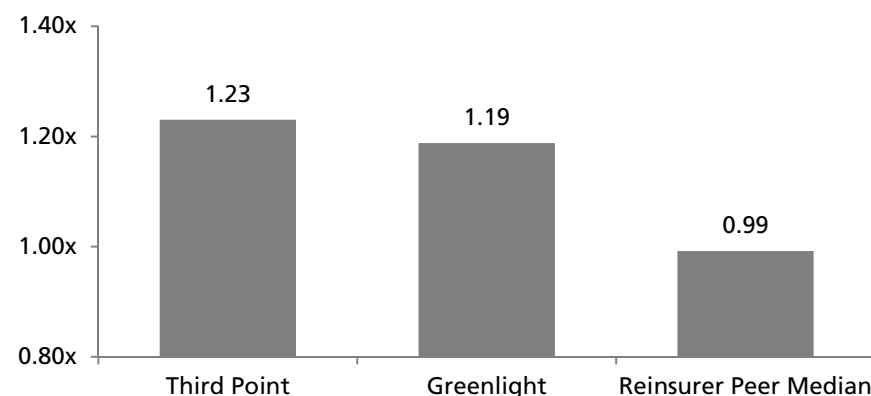
## Alternative reinsurers with proprietary investment strategies trade at a premium

- Reinsurers with an alternative asset investment strategy (e.g. Third Point Re and Greenlight Re) trade at a premium to traditional reinsurers
- Relationship with Golub Capital provides the opportunity to earn attractive investment returns with lower volatility than alternative asset reinsurance peers

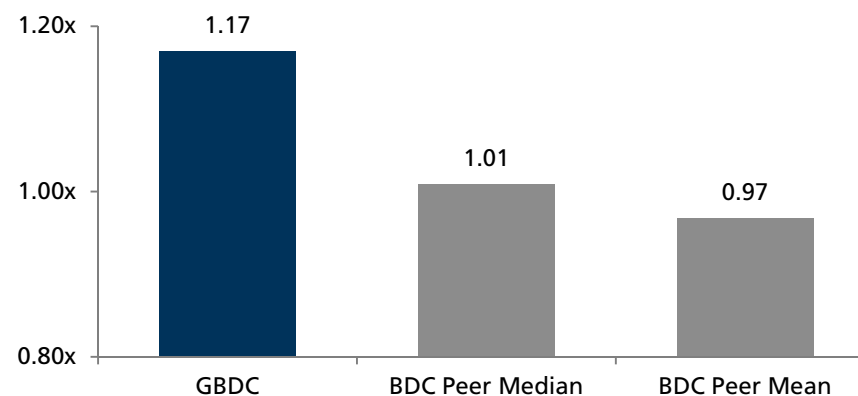
## Golub Capital experience creating a premium product

- Golub Capital manages GBDC, a publicly-traded business development company (“BDC”) with a similar investment strategy to Golub Capital Re
- On average, GBDC has historically traded at the highest premium to book value against its peers since IPO<sup>2</sup>

### Reinsurer Price / Book Value Average<sup>1</sup>



### BDC Price / Book Value Average<sup>2</sup>



Source: Capital IQ as of 3/31/2014.

1. Average since first available Third Point data as of 8/15/2013. Reinsurance peer median includes MRH, PRE, PTP, RE, RNR and VR.

2. Average P / BV calculated for the period beginning 1/1/2013. BDC peer median includes ACAS, AINV, ARCC, BKCC, FSC, GAIN, GARS, GLAD, HCAP, HRZN, KCAP, MCC, MCGC, MRCC, MVC, NMFC, OFS, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCPC, TCRD, TICC, WHF.



# Strong Alignment of Interests Between Shareholders, Management and Sponsor

---

**Collectively, Golub Capital employees are expected to invest approximately \$75 million in Golub Capital Re, about 10% of initial capitalization**

## Investment manager compensation

- Lowest annual investment management fees of among peer group<sup>1</sup>
- Golub Capital incentive fees subject to an annual hurdle

## Reinsurance management compensation

- Incentivized to focus on long-term, profitable growth to achieve book value expansion
- Incentive compensation heavily tied to long-term insurance underwriting results
- Plan constructed to reward high quality underwriting performance over time rather than high premium volume



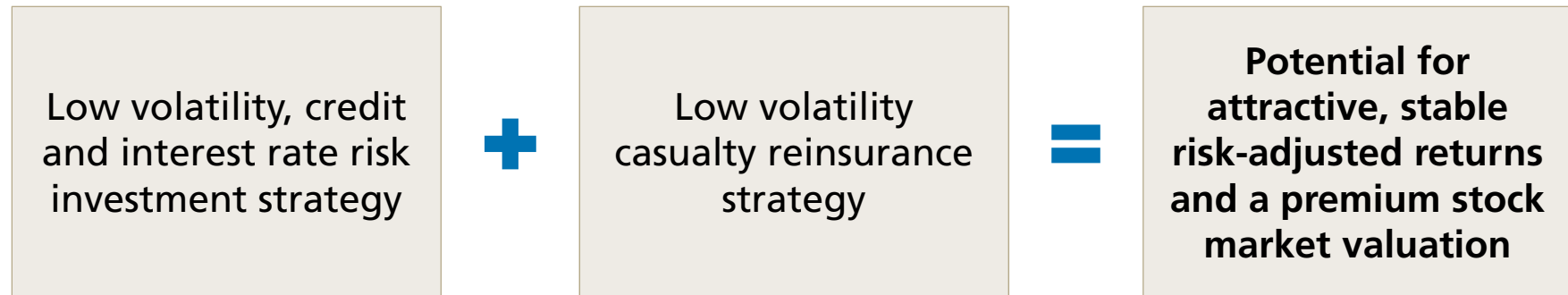
**Alignment drives focus on consistent, profitable growth**

1. Peers include Third Point Re and Greenlight Re.

Note: Represents indicative terms and conditions for Golub Capital Re management compensation plan and Golub Capital investment management contract. Final terms and conditions could vary significantly from the indicative terms presented above. The indicative terms and conditions above are a summary and do not purport to reflect all applicable terms and conditions of the Golub Capital Re management compensation plan and Golub Capital investment management contract.

# Golub Capital Re: Designed to Deliver Strong, Consistent Results

Golub Capital Re's approach to insurance will be consistent with Golub Capital's approach to lending – a focus on a relationship-driven business, limiting downside risk and lowering volatility in order to generate stable profits over time



## A powerful operating model

- Partnership with a \$10 billion investment manager with a history of strong, steady investment returns<sup>1</sup>
- Middle market senior secured lending is historically an attractive, low volatility asset class<sup>1,2</sup>
- Focus on lower volatility casualty reinsurance (not property/catastrophe)
- Strong capital base with no legacy issues
- Access to Golub Capital's robust infrastructure

1. Please see page titled, "Golub Capital Has a Long History of Attractive, Stable Returns" in this presentation.

2. Please see page titled, "Superior Floating Rate Income from Senior Secured Debt: The Role of Middle Market Lending" in this presentation.

Note: Golub Capital Re is a newly formed company with no trading history. Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Past performance is no indication of future success.

# Golub Capital Re: Investment Strategy Overview<sup>1</sup>

**Golub Capital Re’s investment strategy will be similar to the GCP Funds, which have a history of steady investment returns investing in middle market senior secured loans**

Investment Strategy	Focus on senior secured middle market lending using net proceeds from the Offering plus insurance premiums received (“float”)
Targeted Annual Net Return	10% compounded annually <sup>2</sup>
Target Leverage (Debt to Equity)	2.5x
Target Diversification	Average position size of less than 1% of total assets
Targeted Asset Mix	<p>The targeted asset mix is detailed in two pie charts. The first chart, titled 'Middle market senior secured &amp; one-stop loans', shows a 75% allocation to this category, with 15% to 'Large cap senior secured loans', 5% to 'Cash &amp; traditional fixed income', and 5% to 'Other credit'. The second chart shows a 90% allocation to 'Floating Rate' and 10% to 'Fixed Rate'.</p>
Expected Ramp-up to Target Asset Mix	18–24 months; during such ramp-up period, the investment portfolio is expected to be comprised of a higher percentage of senior secured loans to large cap companies, and annual returns may be slightly less than the target

Golub Capital Re is a newly formed company with no trading history. Any performance presented herein is that of funds with an investment strategy comparable to Golub Capital Re and does not purport to be the performance of Golub Capital Re’s investment strategy. There is no guarantee that any of these objectives will be met. All investment carries the risk of loss.

Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Actual results could differ materially from those implied or expressed in such forward-looking statements for any reason, and future results could differ materially from historical performance.

1. This table is a summary of certain select terms and does not purport to reflect all applicable terms within the categories listed above. For a more complete description of such terms, please see the Company’s associated offering documentation.
2. Note on targeted return: The targeted return is based on the following performance assumptions for the assets in the investment portfolio of Golub Capital Re and its assets (in each case on average): weighted average yields on assets of 7.00%; debt to investor contributed equity of 2.5x, an interest rate on such debt (including amortized debt issuance costs) of LIBOR plus 2.00%; management fees of 1.00% of assets; net credit losses of 0.50% of assets; other direct expenses of 0.50% of assets; incentive allocation of 20% of profits subject to a performance hurdle of 5% of annum. Please also see *Important Investor Information* at the end of this presentation.
3. Expected to be managed by a third-party sub advisor.

# Proven Reinsurance Management Team with 29 Years Average Industry Experience

---

## Golub Capital Re Executive Management Team

**Andrew Cook**  
*Chief Executive Officer*

25 years industry experience

Mr. Cook served as President of Alterra Bermuda Ltd. from 2010 to 2013, in addition to his position as EVP-Business Development. Previously, Mr. Cook served as CFO of Harbor Point Ltd. from 2006 until its merger with Max Capital Corp., which became Alterra Capital Holdings Ltd. He also served as Deputy Chairman, President and CFO of Harbor Point Re Ltd. From 2001 to 2006, Mr. Cook was the founding CFO of AXIS Capital Holdings Ltd. Prior to that, he served as founding SVP and CFO of LaSalle Re Holdings Ltd.

**Thomas Wafer**  
*President*

35 years industry experience

Mr. Wafer served as Chairman of Global Reinsurance for Alterra Capital Holdings Ltd. from 2012 to 2013. Mr. Wafer previously was CEO of Reinsurance and President of Alterra Reinsurance USA Inc. from 2011 until 2012. He previously served as President of Harbor Point Re U.S. and Harbor Point Services, Inc. From 2005 to 2009 he was Managing Director of International Underwriting for Harbor Point Re Ltd. and New Point Re in Bermuda. Previously, he was Managing Director of International Underwriting and Marketing at Chubb Re, Inc.

**Joel Livingston**  
*Chief Underwriting Officer*

29 years industry experience

Mr. Livingston served as COO of Alterra Reinsurance USA Inc. from 2012 to 2013. He served from 1999 to 2012 as a Managing Director / Casualty Underwriter for Chubb Re, Inc., Harbor Point Re Ltd. and Alterra Reinsurance USA Inc.

# Golub Capital Re: Insurance Strategy Overview

---

- **Relationship-based** approach to underwriting, building **long-term win-win partnerships** with our clients
- **Customized solutions** while maintaining high degree of selectivity and highest standard of due diligence, post-underwriting analysis and follow-up
- Primarily **U.S.-focused** risks
- Emphasis on underwriting insurance with **longer expected claims payout patterns** with **ability to invest insurance premiums collected (“float”)**
- Expect to write reinsurance in **lines of business where management has extensive experience**
  - Professional liability, environmental, excess & surplus, general liability, management liability, umbrella & excess liability, auto liability and workers compensation

There is no guarantee that any of these objectives will be met. All investment carries the risk of loss.

# Golub Capital Re Management Team Has Extensive Operating, Financial and Underwriting Experience

## Operating Experience

### Successful history of working together

- Chubb Re
- Harbor Point
- Alterra
- Cook, Wafer and Livingston began working together in 2006

### Strong management relationships

- Access to attractive underwriting opportunities with companies and underwriters we have previously supported
- Significant industry contacts with clients and brokers in the U.S., Europe and Asia
- Deep and lasting relationships built through insurance industry cycles

## Financial Experience

### Proven start-up experience

- LaSalle Re – Class of 1992
  - Start-up to IPO
- Axis Capital – Class of 2001
  - Start-up to IPO
- Chubb Re / Harbor Point
  - Start-up to sale to Max Re / Markel

### Extensive A.M. Best experience

- Received start-up ratings for 3 separate entities from A.M. Best
- CEO has longstanding relationship with A.M. Best

## Underwriting Experience

### Strong underwriting history

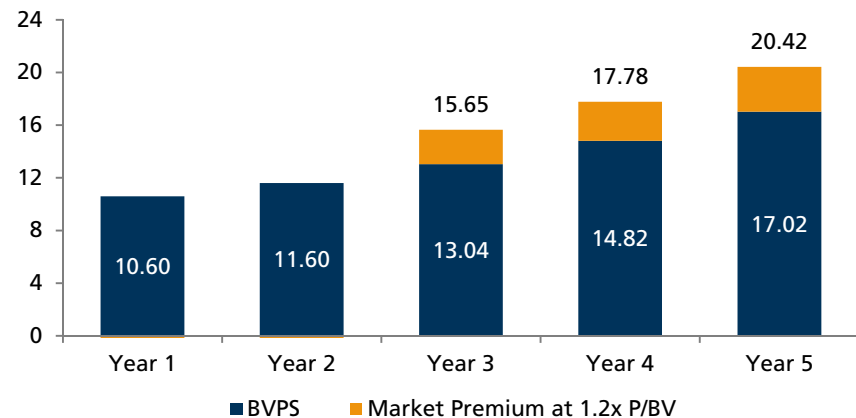
- Underwrote casualty business across a diverse suite of product lines at Chubb Re/Harbor Point/Alterra
  - Professional Liability
  - Environmental
  - Excess & Surplus
  - General Liability
  - Management Liability
  - Umbrella and Excess Liability
  - Workers Compensation
- Extensive experience working through business cycles
  - Ability to proactively rotate business mix to respond to market changes
- Additional experience in property and specialty lines

# Golub Capital Re Illustrative Financial Projections

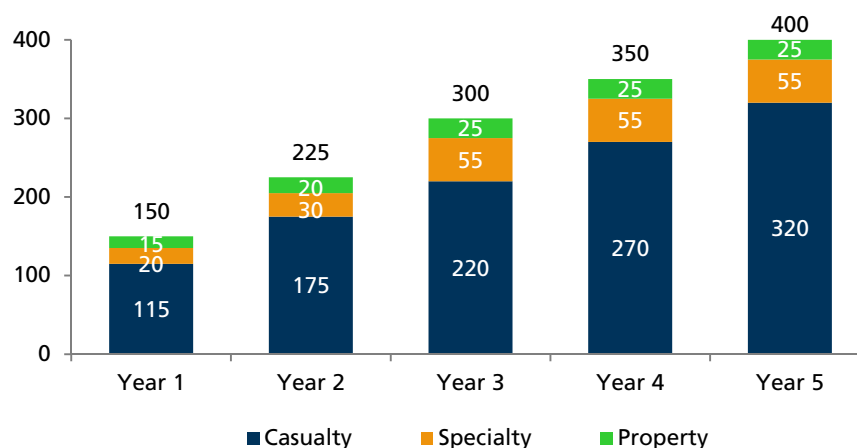
## Financial Projections Overview

- Initial capitalization target of \$750mm and \$10 book value per share (“BVPS”)
- Gradual premium build up with focus on longer-payout, lower volatility casualty business
- 10% fully ramped return on assets managed by Golub Capital
  - 7.75% in year 1, 9% in year 2, 10% in years 3–5
- Modest G&A ramp up as premium-base expands and additional employees are required
- **Book value investment with a 1.2x price / book value exit after 5 years results in a projected IRR in excess of 15%**

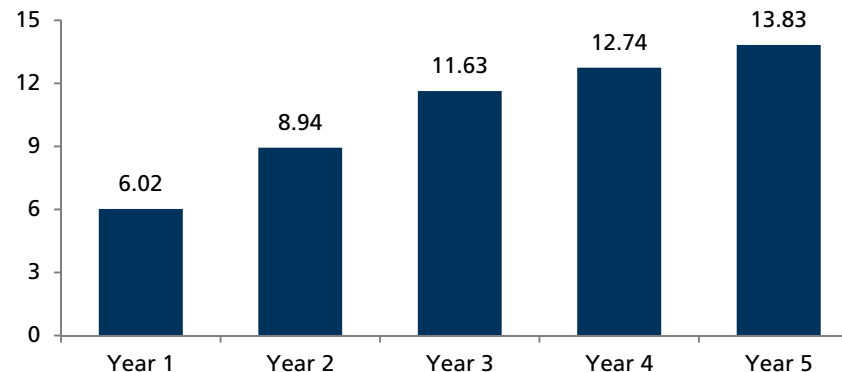
## Book Value per Share (“BVPS”) & Implied Stock Price at a 1.2x Price-to-Book Value Multiple (\$)



## Gross Premiums Written (\$mm)



## Return on Equity (%)



Golub Capital Re is a newly formed company with no trading history. Any historical investment performance presented herein is that of similar Golub Capital funds and any historical operating performance presented herein is that of similar insurance operating companies led by all or some of the members of the Golub Capital Re management team and does not purport to be the actual performance of Golub Capital Re. All projections are based on numerous assumptions and actual results may vary materially from those presented herein.

Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Actual results could differ materially from those implied or expressed in such forward-looking statements for any reason, and future results could differ materially from historical performance. Past performance is not indicative of future results.

1. The above tables are a summary of certain select terms and do not purport to reflect all applicable terms within the categories listed above.

2. Please also see *Disclaimer* at the beginning of this presentation and *Important Investor Information* at the end of this presentation.

# Golub Capital Re: Investment Highlights

---



Projected IRR to Investors in Excess of 15% While Gaining Exposure to an Investment Strategy Similar to the GCP Funds



Tax Efficiency: Both Tax Deferral and Long-Term Capital Gains Treatment Expected



Exposure to an Attractive Asset Class with Golub Capital, a Leader in Middle Market Senior Secured Lending



Repeating the Success of GBDC: Potential for Liquidity and a Premium Valuation



Strong Alignment of Interests Between Shareholders, Management and Sponsor



Proven Reinsurance Management Team with 29 Years Average Industry Experience

Past performance is not necessarily indicative of future results.



# Golub Capital Re – Summary of the Offering<sup>1</sup>

Issuer:	Golub Capital Reinsurance Holdings Ltd. (“Holdings”), 100% owner of Golub Capital Re, is expected to be a Class 4 licensed insurer in Bermuda
Target Shares Offered:	30,000,000 Common Shares
Share Price:	\$10.00 per common share (book value per share at closing before transaction expenses)
Other Terms:	Subject to customary equityholder rights (including tag-along rights, pre-emptive rights, etc.)
Governance:	Expected that a majority of the independent directors of Holdings will be unaffiliated
Golub Capital Investment:	Golub Capital employees and their affiliates will purchase approximately \$75,000,000 of common shares <sup>2</sup>
Voting Rights:	Class A common shares will be purchased by both investors and affiliates of Golub Capital. Class B common shares will be purchased only by management, Golub Capital employees and their affiliates. Class A and Class B common shares have identical economic and voting rights except that Class B common shares vote separately on a sale of the Company or amendments to the Bye-Laws. Also, under certain circumstances, voting rights of affiliated shareholders will be reduced <sup>3</sup>
Closing Date:	June 30, 2014
Target IPO Date:	18–24 months after closing
Dividend Policy:	No dividends anticipated; earnings expected to be reinvested
Tax Profile:	U.S. taxable investors are expected to incur no taxes except long-term capital gain upon a sale of their shares; Non-U.S. investors are not expected to incur any U.S. income tax
<b>Projected IRR<sup>4</sup>:</b>	<b>15%+</b>

1. Capitalized but not defined terms are as defined in Golub Capital Re’s offering documentation. This table is a summary of certain select terms and does not purport to reflect all applicable terms within the categories listed above. For a more complete description of such terms, please see Golub Capital Re’s offering documentation. This summary of terms does not constitute an offer to sell or a solicitation of an offer to buy interests in the Company.

2. Includes approximately \$50 million of cash and \$25 million of indirect interests through limited partnerships managed by Golub Capital affiliates.

3. Subject to certain voting cutbacks and restrictions as specified in the Bye-Laws.

4. Please see the page titled, “Golub Capital Re Illustrative Financial Projections” in this presentation.

Some of the statements in this presentation constitute forward looking statements, which may be predictions about future events, future performance or financial condition. Actual results could differ materially from those implied or expressed in such forward-looking statements for any reason, and future results could differ materially from historical performance.

Please also see *Disclaimer* at the beginning of this presentation and *Important Investor Information* at the end of this presentation.

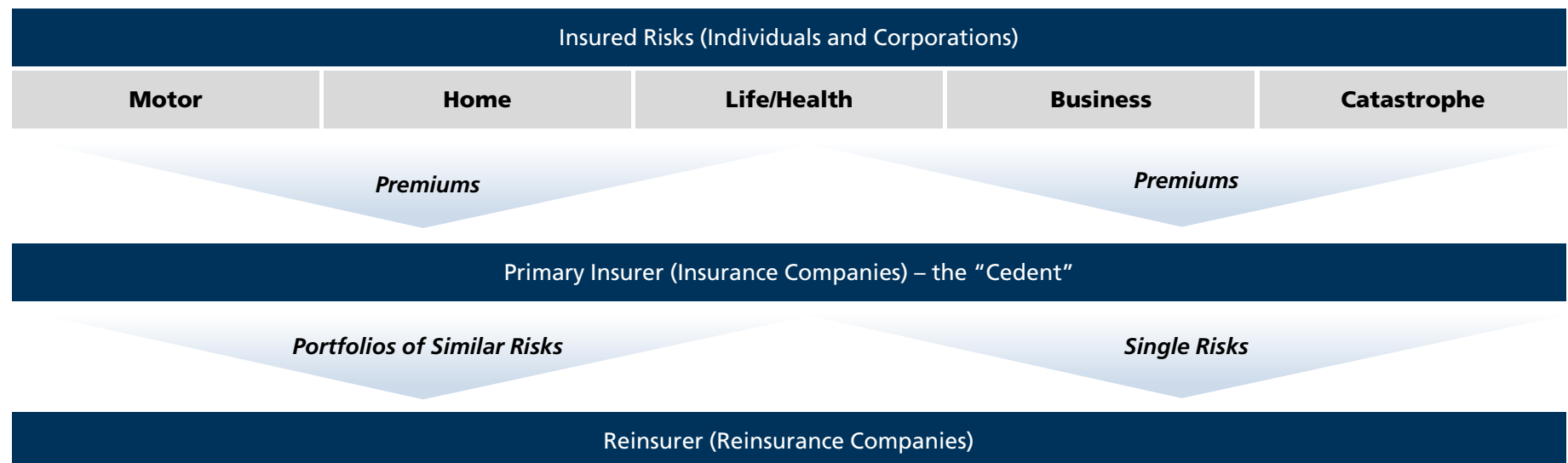
Appendix A  
**Introduction to Reinsurance**

# What is Reinsurance?

**Definition:** Insurance for insurance companies

- Insurance companies purchase reinsurance for their own protection: to reduce risk and volatility and free up capital to write more insurance
- Generally, risk-sharing treaties are structured one of two ways (i) sharing of all premiums and losses (“quota-share”) or (ii) covering losses exceeding a pre-determined threshold (“excess-of-loss”)
- Reinsurance companies generally diversify their risk portfolios by types of risk and geography, equipping them with a broad and deep understanding of a wide variety of insurance markets and products
  - Reinsurers have established a reputation as trusted partners to primary insurers, providing support in pricing, capital efficiency and product development

## How Risks are Transferred from Insurers to Reinsurers



# What Drives Reinsurance Company Profitability?

---

## Underwriting Income

- In a reinsurance transaction, a reinsurer generates revenue by charging premiums to insurance companies in exchange for taking on a portion of that insurance company's risk
  - Premiums are either paid upfront or over the life of the agreement
- When a claim is made and losses under a reinsurance agreement are incurred, the reinsurer must pay to cover the loss
- When earned premiums are greater than losses/claims paid, the reinsurer generates an underwriting profit



## Investment Income

- A reinsurance company earns investment income by investing its base capital and its premiums received, which, for long-payout reinsurance, are generally earned well in advance of when losses are incurred and claims are paid
- When earned premiums plus investment income are greater than paid and estimated future losses/claims, the difference is a reinsurance company's profit

Appendix B  
**Supporting Materials**



## Historical Track Record Footnotes

1. First closing inception date is the date the fund closed. For all funds, except GC Mezzanine Partners, Golub Capital International and GC PEARLS Direct Lending Program, L.P., the inception date is also the date of the initial capital call. For GC Mezzanine Partners, the initial capital call was due on 4/5/2010. For Golub Capital International, the second close capital call was 7/10/06. For GC PEARLS Direct Lending Program, L.P., the initial capital call was 4/27/11.
2. All IRRs shown are for a first close limited partner except for Golub Capital International, which is for a second close limited partner, and GC PEARLS Direct Lending Program, L.P., which is presented for the limited partners of the fund, taken as a whole. All returns shown reflect the deduction of the management fee and the incentive fee for a full promote limited partner with the exception of GC Direct Lending Insurance Fund, L.P., which reflects the deduction of the management fee, the incentive fee for a full promote limited partner, and the mortality and expense fee, but does not include a deduction for insurance costs. See *Important Investor Information* for definition of IRR and total return.
3. These funds use 3rd party debt financing as part of their investment strategy. Leverage may increase volatility and lead to an increase in the magnitude of gains and losses.
4. Because the fund was substantially liquidated in 2004, annual returns for 2005 to date are not meaningful. Therefore, the inception-to-date return has been presented to properly reflect this fund's overall returns.
5. Golub Capital Partners III, Golub Capital Partners IV, and Golub Capital Partners VI International liquidated in 2013.
6. IRR is for a first close limited partner in GC Direct Lending Insurance Fund, L.P. and includes subsequent investments and withdrawals. The IRR reflects the deduction of the management fee, the incentive fee for a full promote limited partner, and the mortality and expense fee, but does not include a deduction for insurance costs. It should be noted that for investments in portfolio funds managed by GC Advisors LLC or an affiliate, management and incentive fees are waived by GC Direct Lending Insurance Fund L.P., but fees charged by portfolio funds are not waived. See *Important Investor Information* for definition of IRR. The underlying fund investments may use 3rd party debt financing as part of their investment strategy. Leverage may increase volatility and lead to an increase in the magnitude of gains and losses.

## Important Investor Information

Golub Capital (including its various affiliates) creates and manages multiple investment funds. One of its control affiliates, GC Advisors LLC (“GC Advisors”), is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”). A number of other investment advisers, such as GC Investment Management LLC, GC Synexus Advisors, LLC and Golub Capital International Management, LLC (collectively, the “Relying Advisers”), are registered in reliance upon GC Advisors’ registration. GC Advisors and the Relying Advisers manage certain of Golub Capital’s affiliated funds. For a detailed description of GC Advisors and the Relying Advisers and their investment advisory fees, please see GC Advisors’ Form ADV Parts I and 2A on file with the SEC. The beneficial owners of Golub Capital are also the beneficial owners of GC Advisors and the Relying Advisers. Certain references to Golub Capital relating to its private fund business may include activities other than the activities of GC Advisors or the Relying Advisers, or may include the activities of other Golub Capital affiliates in addition to the activities of GC Advisors and the Relying Advisers.

The performance results are presented for Golub Capital’s managed funds as indicated. The performance presented does not represent the return of any individual investor. An individual’s net or gross return may differ significantly due to differences in timing of investment. In fact, net or gross returns may be significantly higher or lower than an investor’s estimated return. Gross returns show gross performance of Golub Capital funds. Gross performance does not reflect a deduction for management fees and/or incentive fees. Net returns reflect the deduction of all fund expenses including investment advisory fees. Past performance does not guarantee future results.

Golub Capital investments are valued at each quarter-end at their fair value consistent with ASC Topic 820 and Golub Capital’s valuation policies and procedures. The Internal Rate of Return (“IRR”) is the annualized effective compound rate of return and is based on starting capital accounts, distributions, capital calls, and ending capital accounts. The IRR performance calculation includes historical cash flows (in the case of investments, this includes the initial investment, interest and principal received, and any additional receipts or payments, and in the case of funds, this includes all capital contributions and distributions) as well as the current fair value of each portfolio loan or other investment still outstanding. The current fair value of outstanding portfolio loans or other investments that are not actively traded is determined in accordance with the valuation policies and procedures as summarized in GC Advisors’ Form ADV Part 2A.

This determination is based on several inputs, including, among other factors, scheduled payments and comparable market yields. Because many of the loans or other investments are not actively traded, this determination of current fair value is a material factor in determining IRR performance. Actual amounts subsequently realized on an investment may differ materially from the current fair value, and accordingly the actual IRR performance may differ materially from that stated herein.

The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. An investment in any

Golub Capital affiliated fund will be subject to a variety of risks (which are described in that affiliated fund’s confidential offering memorandum), and there can be no assurance that any Golub Capital affiliated fund will meet its investment objective or that any such fund will not incur losses. Certain statements herein constitute forward-looking statements, which relate to future events, future performance or financial condition, and are subject to change for any reason.

**Special Disclosure related to GC Direct Lending Insurance Fund, L.P. (“GIDF”):** The GC Direct Lending Insurance Fund Series of the SALI Multi-Series Fund, L.P. (the “Series”) is a private investment fund for which GC Advisors LLC serves as nondiscretionary subadviser. The investment manager, SALI Fund Management, LLC (the “Adviser”) retains investment discretion over the Series, and GC Advisors makes investment recommendations to the Adviser. While the Adviser is not bound to follow the recommendations of GC Advisors, it has historically done so. The GIDF investment objective is to provide investors with exposure to the credit markets, with an emphasis on U.S. middle market lending. Investments in the Series are available only to variable life insurance and variable annuity contracts sold through licensed insurance brokers in compliance with applicable laws. GIDF may invest its capital into funds managed by GC Advisors and/or its affiliates. As such, GIDF should not be considered a proper diversification tool by investors who also invest in funds advised by GC Advisors or its affiliates.

The portfolio funds’ investments are valued each quarter-end at their fair value consistent with ASC Topic 820 and GC Advisors and the Adviser’s valuation policies and procedures. The fair value of outstanding portfolio loans or other investments that are not actively traded is determined by GC Advisors and the Adviser in accordance with their valuation policies and procedures, which are summarized in the GC Advisors’ and the Adviser’s Form ADV Part 2A. This determination is based on several inputs, including, among other factors, scheduled payments and comparable market yields. Because many of the loans or other investments are not actively traded, this determination of fair value is a material factor in determining performance. Actual amounts subsequently realized on an investment may differ materially from the fair value, and accordingly the actual performance may differ materially from that stated herein.

The Adviser is an investment adviser registered with the SEC. For a detailed description of the Adviser and its investment advisory fees see the Adviser’s Form ADV Parts 1 and 2A on file with the SEC.

Before making the investment decision with respect to the Series and related insurance company products, potential investors are advised to read carefully the Series Supplement, limited partnership agreement and related insurance contract, and to consult with their tax, legal and financial advisors. As described in the Series Supplement, investments in hedge funds and funds of hedge funds are speculative and should only be made by sophisticated investors that can afford the risk of loss.

This document is intended for investor information and broker-dealer/financial institution internal use only. Do not copy. Do not distribute.