



STRATEGY | INNOVATION | EXPERTISE

Randall & Quilter Investment Holdings Ltd.

Issue of Subordinated Notes

20 January 2017

The Board is pleased to announce the issue of \$20 million of floating rate Subordinated Notes due December 2023 from R&Q Re (Bermuda) Ltd., the Group's Class 3A Insurer. These Subordinated Notes are Tier 2 eligible capital and will increase R&Q Re Bermuda's Statutory Capital and Surplus to help support the growth of this core Group insurance platform. As well as the continued support of the Group's Lloyd's syndicate participations, R&Q Re Bermuda is the key risk taking entity for the Group's US legacy transactions, writing adverse development covers for the loss portfolio transfers and any other retrospective policies written by Accredited, the Group's A- rated US admitted carrier.

R&Q Re Bermuda will also support a number of the legacy portfolios assumed through the acquisition and novation of captive programs in Bermuda, the US and elsewhere. Twelve Capital Group*, an investment manager specializing in insurance investments including private debt, acted as sole investor in the issue. The transaction marks Twelve Capital Group's first transaction supporting a Bermudian insurance company issuing Tier 2 eligible capital. The broker was the Bermuda office of the Beach Group.

Ken Randall, Chairman and CEO of the Group, commented: 'We are really pleased to have completed this issue of Tier 2 eligible capital out of R&Q Re (Bermuda) to help fund our fast growing legacy activity in the US and offshore US markets and to strengthen the balance sheet of this key Group insurance carrier'.

**Twelve Capital Group invested on behalf of its investors*

Ends

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Notes to Editors:

About R&Q

Randall & Quilter pursues a buy and build strategy and has created a comprehensive range of investment activities and services in the global non-life insurance market.

R&Q is focused on the following three core areas:

- Insurance Investments
- Insurance Services
- Underwriting Management

The Group:

- provides a range of services to both the live and legacy (re)insurance markets to support growing businesses and address complex and challenging run-off issues;
- employs close to 400 insurance professionals based in the UK, US, Bermuda, and Europe with wide service capability in both the 'live' and 'run-off' markets;
- owns and manages a portfolio of insurance companies, both active and in run-off, in the UK, US and Europe with net assets of £123.7m as at 31 December 2015;
- owns an admitted P&C Insurer, A- rated by AM Best, with licenses throughout the US; owns a Bermuda Class 3A insurance company which currently supports the Group's syndicate participations;
- launched Syndicate 1991, which commenced underwriting from January 1, 2013 and has an agreed capacity of £130m for 2016, manages one RITC ('run-off') syndicate, 3330, and owns and operates an MGA platform;
- acquires and manages a portfolio of insurance receivables, with a carrying cost of £6.0m as at 31 December 2015, of which R&Q holds a 50% interest

The Group was founded by Ken Randall and Alan Quilter in 1991.

Legal Entity Identifier (LEI): 2138006K1U38QCGLFC94

Website: www.rqih.com

About Twelve Capital

Twelve Capital is an independent asset manager for institutional clients, with offices in Zurich and London and specialising exclusively on the investment opportunities within the insurance sector: Cat bonds and private Insurance-linked securities, plus the listed equity, bonds and private debt issued by insurance companies. Twelve Capital AG is a licenced to operate as an authorised asset manager by the Swiss Financial Market Authority (FINMA). Twelve Capital (UK) Ltd. is authorised and regulated by the Financial Conduct Authority (FCA) as a MIFID investment firm. The firm is also registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC) and as a commodity pool operator (CPO) with the U.S. Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA) in such capacity.