

TO ALL SHAREHOLDERS

31 January 2023

Dear Sir or Madam

Blue Capital Alternative Income Fund Limited (In Members' Voluntary Liquidation) - ("the Company")

The Final General Meeting of the Company will be held virtually (by Microsoft Teams) on February 22, 2023 at 10:00am (Bermuda time).

The Joint Liquidators propose three resolutions to be passed at the Final General Meeting as follows:

1. That the final accounts of the Joint Liquidators are accepted by the members;
1. That the Company be dissolved; and
2. That the books and records of the Company be stored at Teneo (Bermuda) Limited for 10 years.

Please find enclosed a Proxy Form that should be completed and returned no later than February 21, 2023, should you wish to vote at the Final General Meeting. The Proxy Form can be voted as either a general or special proxy and you can vote for or against any of or all of the proposed resolutions

For your information, Charles Thresh, one of the Joint Liquidators, will chair the Final General Meeting or in his absence, one of his representatives. In event that no proxies are received and there is no quorum present at the Final General Meeting, the Joint Liquidator will pass each of the proposed resolutions and the Company will be dissolved.

In addition, please find enclosed a copy of the Liquidator's Report.

If you have any further questions regarding the enclosed, please do not hesitate to contact my colleague Shrene Shergill, on +1441 518-4428.

Yours faithfully,

*For and on behalf of Blue Capital Alternative Income Fund Limited
(In Members' Voluntary Liquidation)*



Charlie Thresh (Jan 31, 2023 12:31 AST)

Charles Thresh
Joint Liquidator

The Joint Liquidators contract without personal liability

Enclosures: Proxy Form
Guidance Notes
Joint Liquidator's Report



IN THE MATTER OF
BLUE CAPITAL ALTERNATIVE INCOME FUND LIMITED
 (IN MEMBERS' VOLUNTARY LIQUIDATION)
 IN THE MATTER OF THE COMPANIES ACT 1981

FORM OF PROXY

To be used at the final general meeting of members of Blue Capital Alternative Income Fund Limited (In Members' Voluntary Liquidation) (the Company) to be held virtually (by Microsoft teams) on February 22, 2022, at 10:00am (Bermuda time).

PART A

I/We
(see note 1 of the Guidance Notes)

of
(enter the address of the contributory)

being a contributory of the Company **HEREBY APPOINT**.....
(see note 2 of the Guidance Notes)

as my/our proxy to act for me/us at the Final General Meeting of Members, or any adjournment thereof, to vote for me/us and in my/our name.

Signature
(see note 3 of the Guidance Notes)

Capacity

Telephone

Date

In respect of Resolution 1 *(see Part B)*, I/we wish this proxy to be voted as a Special _____
 General _____ Proxy. *(see note 4 of the Guidance Notes)*

In respect of Resolution 2 *(see Part B)*, I/we wish this proxy to be voted as a Special _____
 General _____ Proxy. *(see note 4 of the Guidance Notes)*

In respect of Resolution 3 *(see Part B)*, I/we wish this proxy to be voted as a Special _____
 General _____ Proxy. *(see note 4 of the Guidance Notes)*

When completed please return this form to Teneo (Bermuda) Limited, 19 Par-La-Ville Road, 3rd Floor, Hamilton HM 11, Bermuda, Attention: Katie Norris (Email: Katie.Norris@teneo.com).

PART B

I/We wish the above-named proxy to vote for me/us and in my/our names for or against Resolutions 1, 2 and 3 as hereinafter indicated.

If you wish to vote for a resolution, sign in the box marked 'FOR'. If you wish to vote against a resolution, sign in the box marked 'AGAINST'.

<p>Resolution 1 That acceptance be made of the final accounts of the Joint Liquidators.</p>	<p>FOR</p> <p>Signature</p>	<p>AGAINST</p> <p>Signature</p>
<p>Resolution 2 That the Company be dissolved.</p>	<p>FOR</p> <p>Signature</p>	<p>AGAINST</p> <p>Signature</p>
<p>Resolution 3 That the corporate books and records of the Company be stored by Teneo (Bermuda) Limited for 10 years.</p>	<p>FOR</p> <p>Signature</p>	<p>AGAINST</p> <p>Signature</p>

IN THE MATTER OF
BLUE CAPITAL ALTERNATIVE INCOME FUND LIMITED
(IN MEMBERS' VOLUNTARY LIQUIDATION)

IN THE MATTER OF THE COMPANIES ACT 1981

**GUIDANCE NOTES FOR THE COMPLETION OF THE
FORM OF PROXY**

Set out below are guidance notes for the completion of the Form of Proxy. If you plan to attend the Special General Meeting for Blue Capital Alternative Income Fund Limited, (in members' voluntary liquidation) ("the Company") please complete and return the Form of Proxy.

If you should encounter difficulties in relation to completing these forms or have questions generally in relation to the meeting to be held on February 22, 2022, please contact Katie Norris of Teneo (Bermuda) Limited, 19 Par-La-Ville Road, 3rd Floor, Hamilton HM 11, Bermuda, Katie.Norris@Teneo.com.

Form of Proxy

General notes

1. You are required to return the Form of Proxy to the Joint Liquidators c/o Charles Thresh and Michael Morrison at Teneo (Bermuda) Limited by 5:00 p.m. (Bermuda time) on February 21, 2022. Email copies received by this deadline will be accepted (send to Katie.Norris@Teneo.com).
2. Any alteration to the Form of Proxy must be initialled by the person who signs it.

Specific instructions

In the Form of Proxy you are referred to specific instructions as to how to fill in certain parts of the Proxy. These are set out in the following paragraphs.

PART A

Note 1 APPOINTMENT OF PROXY

Enter the name and address of the shareholder in block capitals. If you are the duly authorised agent and/or attorney of a shareholder, enter name of the shareholder and provide evidence with the proxy (which must be satisfactory to the Chairman of the meeting) of your authority to execute the Form of Proxy on their behalf.

Note 2 APPOINTMENT OF PROXY

The person appointed Proxy may be:

- (a) the Chairman of the Meeting
- (a) the Liquidator
- (b) such other individual as you may approve

BUT NOT a Firm Partnership, Limited Company or other corporate body.

Note 3 SIGNATURE AND RETURN OF PROXY FORM

- (i) (a) If you are an individual, just your signature is required:
- (b) If you are a Firm or Partnership, the Proxy must be signed as follows:

“Firm’s or Partnership’s Trading Name by

_____ (name of person signing), the Proprietor of the Firm or a Partner in the said Firm”:

- (c) If you are a Limited Company, the Proxy must either be:
 - (a) under the Common Seal of the Company, or
 - (b) signed by a duly authorised Officer of the Company as follows:

“For (Name of Company) by _____ (name of person

signing) a _____ (here state position of person signing, e.g. Managing Director, Director, Company Secretary, Credit Manager or as the case may be). duly authorised to sign under the Seal of the Company”.

PART B

Note 4 SPECIAL PROXY

The Form of Proxy has been designated to be used as either a Special or General Proxy for each resolution. It is particularly important that you sign the Form of Proxy in the appropriate place. The person you have appointed as proxy may either vote as you have instructed in Part B (i.e. a Special Proxy), or have your authority to vote as a General Proxy in the manner he so chooses. If you indicate that your proxy is to be a Special Proxy, but do not complete the relevant section(s) in Part B, your vote will be invalid for those section(s) not completed.

You may give a Special Proxy to any person to vote on all or any of the following:

Resolution 1

That acceptance be made of the final accounts of the Joint Liquidators.

Resolution 2

That the Company be dissolved.

Resolution 3

That the corporate books and records of the Company be stored by Teneo (Bermuda) Limited for 10 years.

REPORT OF THE JOINT LIQUIDATORS

BLUE CAPITAL ALTERNATIVE INCOME FUND LIMITED (IN MEMBERS' VOLUNTARY LIQUIDATION)

To the Members of Blue Capital Alternative Income Fund Limited (In Members' Voluntary Liquidation)

The following information is a complete and detailed report on the members' voluntary liquidation of Blue Capital Alternative Income Fund Limited (the Company). This report is intended to satisfy the statutory requirement under section 213 of the Companies Act 1981 to lay an "account" of the liquidation before a meeting called for this purpose, being the Final General Meeting (FGM) of the Company scheduled for 22 February 2023.

1 Commencement of the Liquidation

The Company was placed into members' voluntary liquidation on 25 July 2018, by written resolution of the Members with Mark Allitt and Michael Morrison, both of Teneo (Bermuda) Limited being appointed Joint Liquidators. On 25 March 2022, the KPMG Restructuring team in Bermuda was acquired by Teneo. Mark Allitt remained with KPMG and as such, Charles Thresh replaced Mark Allitt as one of the Joint Liquidators.

The Company entered into voluntary liquidation with net assets of US\$131,201,328 consisting primarily of an investment, with some cash and other assets, offset by expense accruals.

The shareholders of the Company at commencement of the liquidation per the shareholders register were as follows:

2 Shareholder	Shares Held
Computershare Company Nominees Ltd	175,433,923
Endurance Specialty Insurance Ltd.	100
Derek Lawrence Carter	14,500

3 Preliminary Actions taken by the Liquidators

Upon appointment as Joint Liquidators, all assets were identified and secured. The statutory books and records were obtained from the Company's corporate secretary and reviewed by the Joint Liquidators.

4 Distribution Process

Creditors were invited to submit their claims on or before 14 March 2022. The Joint Liquidators received no creditors' claims.

On 10 May 2022 the joint liquidators made a final distribution to the shareholders. Following six month expiry of the final distribution, there remained unclaimed distributions amounting to \$3,422.54. In accordance with section 257 of the Companies Act 1981, these funds were remitted to the Consolidated Fund on 28 November 2022.

The residual funds remaining in the bank account are for settlement of the final expenses of the liquidation being the Joint Liquidators' fees, Computershare and SS&C's costs.

The Joint Liquidators will provide an update on any differences between these estimates and actual payments at the FGM.

5 Deed of Assignment

The Joint Liquidators will execute a Deed of Assignment for the Company on or before 22 February 2023, assigning all unidentified assets of the Company on the conclusion of the liquidation to the Group's members, in proportion to their shareholdings.

6 Final General Meeting

Notice of the FGM of the Company was advertised in the Royal Gazette on 20 January 2023 to be held on 22 February 2023 at 10:00am.

The Final General Meeting for the Company will be held on 22 February 2023, virtually, for the purpose of laying before it the accounts of the Company (attached to this report) after which time a certificate of dissolution will be sought from the Registrar of Companies in Bermuda. Should you have any questions, please contact the undersigned at your convenience.

Yours faithfully

Blue Capital Alternative Income Fund Limited (in members' voluntary liquidation)



[Charlie Thresh \(Jan 31, 2023 12:31 AST\)](#)

Charles Thresh
Joint Liquidator

Attachment: Statement of Receipts and Payments

Blue Capital Alternative Income Fund Limited – Receipts and Payments Account

Blue Capital Alternative Income Fund Limited (in liquidation)						
Receipts and payments for the period 25 June 2018 to 26 January 2023						
	Y/E 30-Jun-19	Y/E 30-Jun-20	Y/E 30-Jun-21	Y/E 30-Jun-22	P/E 26-Jan-23	Cumulative
	Amount	Amount	Amount	Amount	Amount	Amount
Balance brought forward		51,046.41	139,612.56	388,754.87	67,103.42	
Cash at Bank as at 25 June 2018	329,822.10	-	-			329,822.10
Receipts						
Return of client funds	-	408.35	-	-	-	408.35
Unclaimed distributions					3,401.24	3,401.24
Master Fund Redemption	66,200,000.00	20,200,000.00	7,400,000.00	2,035,939.54	-	95,835,939.54
Total Receipts	66,200,000.00	20,251,454.76	7,539,612.56	2,424,694.41	70,504.66	95,839,749.13
Payments						
Bank Fee	470.00	240.00	380.12	460.00	291.00	1,841.12
Appleby (Bermuda) Limited	22,450.00	-	-	-	-	22,450.00
Hogan Lovells International	85,328.56	-	-	-	-	85,328.56
Computershare Investor Services Limited	27,314.63	20,874.98	18,351.59	36,020.29	1,170.99	103,732.48
Richard Davies Investor Relations	879.67	-	-	-	-	879.67
IPES (UK) Limited	7,941.98	-	-	-	-	7,941.98
Beecher Carlson	236,142.82	-	-	-	-	236,142.82
SS&C Fund Services (Bermuda) Limited	45,131.11	15,242.10	17,807.90	19,120.92	3,000.00	100,302.03
Director fees	11,458.33	-	-	-	-	11,458.33
London Stock Exchange	1,252.40	-	-	-	-	1,252.40
FCA Compliance	431.48	-	-	-	-	431.48
Shareholder Distribution	65,999,997.42	19,999,997.79	7,099,997.58	2,231,148.63	-	95,331,141.42
Consolidated Fund					3,422.54	3,422.54
Joint Liquidators fees	39,977.29	75,487.33	14,320.50	70,841.15	-	200,626.27
Total Payments	66,478,775.69	20,111,842.20	7,150,857.69	2,357,590.99	7,884.53	96,106,951.10
Closing Cash at Bank as at 26 January 2023	51,046.41	139,612.56	388,754.87	67,103.42	62,620.13	62,620.13

BCAI Letter to Shareholder - Notice

Final Audit Report

2023-01-31

Created:	2023-01-31
By:	Shrene Shergill (Shrene.Shergill@teneo.com)
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"BCAI Letter to Shareholder - Notice" History

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