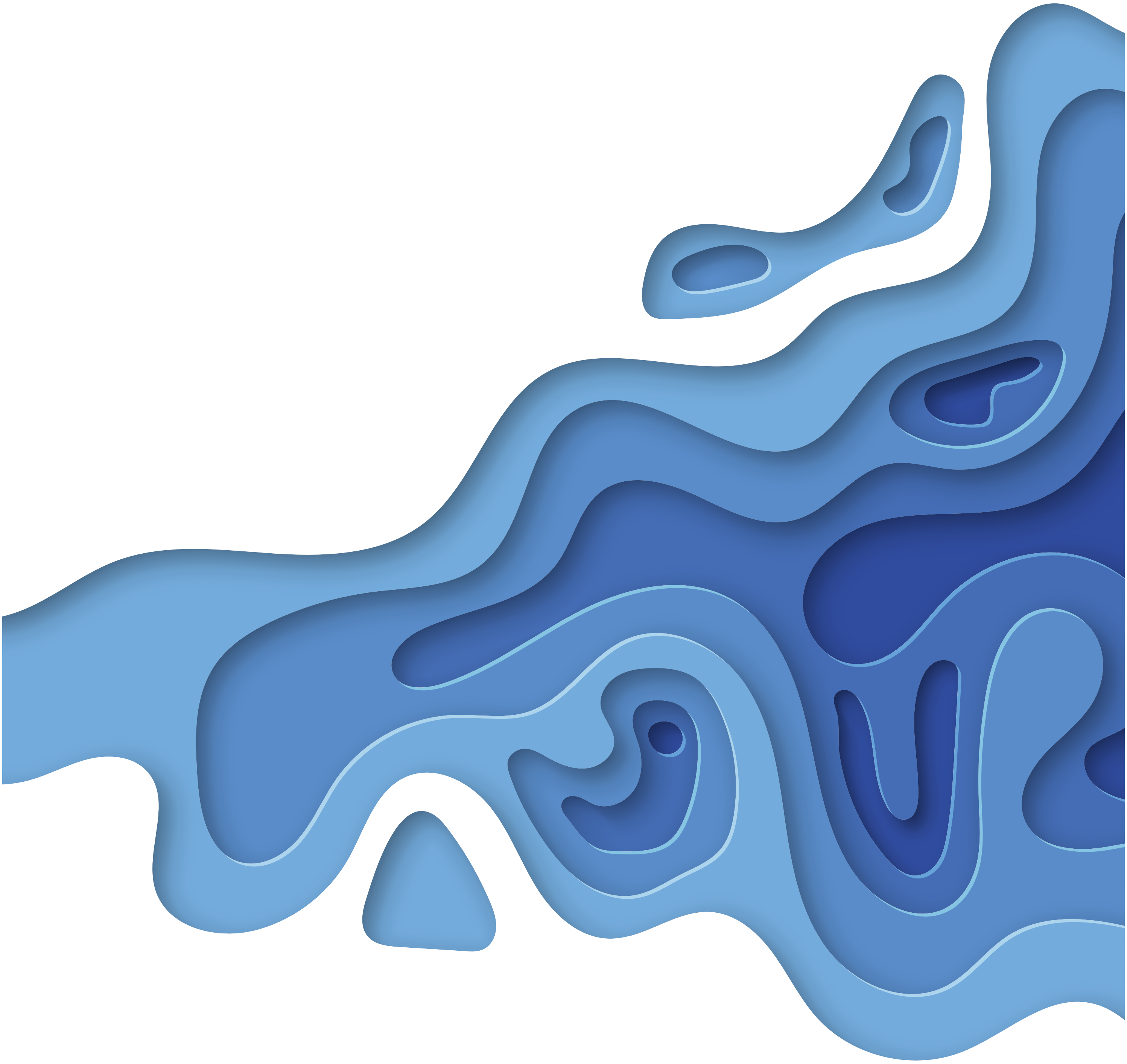
Annual Report 2018



CATCo®

Reinsurance Opportunities Fund Ltd.

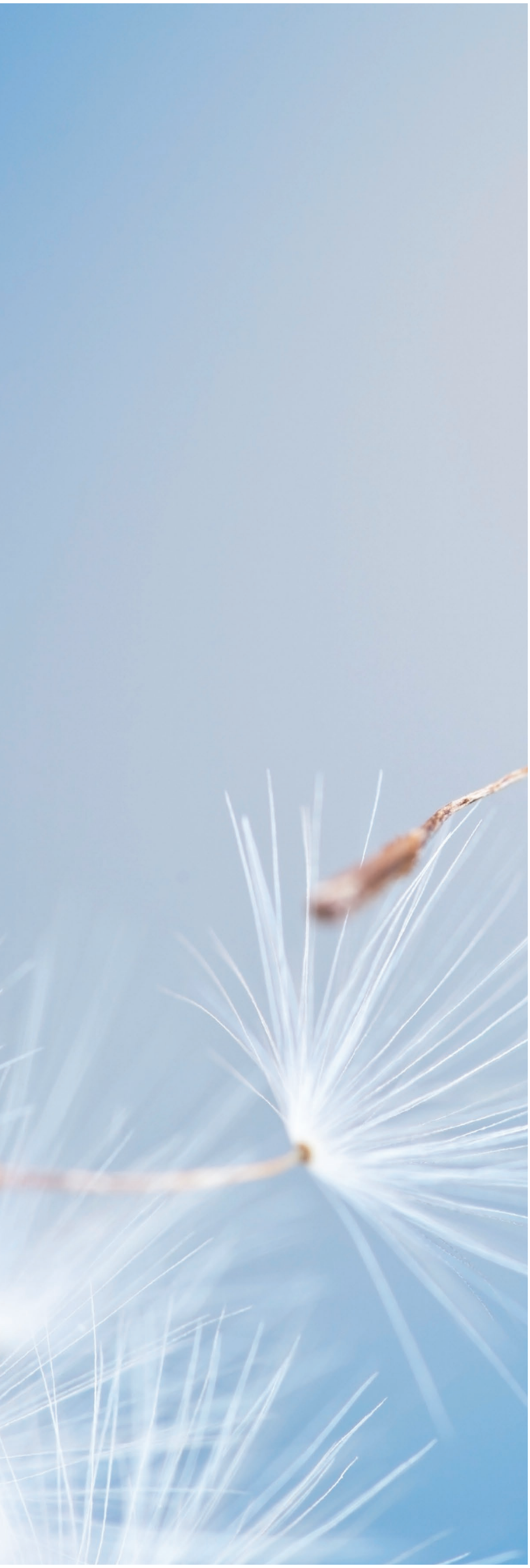
FUND OVERVIEW

Launch Date	20 December 2010
Date Company is to commence Run-Offs of its portfolios	1 July 2019
Domicile	Bermuda
Listing	London and Bermuda Stock Exchanges
Structure	Closed Ended Investment Company
Reporting	Monthly NAVs, Unaudited Interim and Annual Report, Audited Annual Financial Statements
Financial Year-end	31 December
Management Fee	1.5% p.a.
High Water Mark	Yes
Directors	James Keyes (Chairman) Alastair Barbour Margaret Gadow
Bloomberg Ticker Ordinary Shares	CAT LN
Bloomberg Ticker C Shares	CATC LN

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your accountant, legal or professional adviser, financial adviser or a person authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Shares in CATCo Reinsurance Opportunities Fund Ltd., please forward this document immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Unless otherwise stated, all amounts included in this Annual Report are in U.S. dollars.



CATCo REINSURANCE OPPORTUNITIES FUND LTD.

ANNUAL REPORT 2018

FOR THE 12 MONTH PERIOD FROM 1 JANUARY TO 31 DECEMBER 2018

CORPORATE SUMMARY

INDEPENDENT BOARD OF DIRECTORS

FOCUSED PORTFOLIO

MANAGED BY MARKEL CATCO INVESTMENT MANAGEMENT LTD.

EFFICIENT CAPITAL MANAGEMENT AND ANNUAL DIVIDEND

Up to 26 March 2019, CATCo Reinsurance Opportunities Fund Ltd. (the "Company") aimed to achieve efficient capital management and income through a balanced portfolio of global catastrophic reinsurance risk protections. From the Company's inception to 31 December 2018, the Company targeted an annual dividend of LIBOR plus 5 per cent of Net Asset Value. Subsequently, the Company has elected to redeem all of its shares in Markel CATCo Diversified Fund (the "Master Fund") which is a segregated account of Markel CATCo Reinsurance Fund Ltd. (the "Master Fund SAC") as of 30 June 2019, as approved by the Ordinary Shareholder and C Shareholders at class meetings of those Shareholders held on 26 March 2019. The Company intends to distribute the net proceeds of the redemption of these shares (after payment of any costs and save for any amount required for reserves in respect of anticipated liabilities and for working capital purposes) to Ordinary Shareholders or C Shareholders (as the case may be). The timing and amount of each distribution will be at the Company's discretion.

INDEPENDENT BOARD OF DIRECTORS

The Company is overseen by an independent Board of Directors. By responding to Shareholders' views, the Board of Directors ensures that the Company continues to offer a distinctive investment proposition that is relevant to investors' needs.

FOCUSED PORTFOLIO

Markel CATCo Investment Management Ltd. (the "Investment Manager") manages a focused portfolio of retrocessional reinsurance risks in global property, marine, aviation and specialty classes that are fully cash collateralised.

OUTPERFORMANCE INCENTIVISED

The Company indirectly pays a performance fee of 10 per cent p.a. if the annual performance trigger and high water mark thresholds have been met. This aligns the Investment Manager's interests directly with those of Shareholders.

MANAGED BY MARKEL CATCO INVESTMENT MANAGEMENT LTD.

Appointed by the Board of Directors and regulated by the Bermuda Monetary Authority, the Investment Manager has been retained by the Company, Markel CATCo Reinsurance Fund Ltd. and Markel CATCo Re Ltd. to manage and invest their respective assets (collectively the "Group").

The original CATCo group of companies was formed in 2010 by experienced professionals with established expertise. The Group is one of the largest retrocessional reinsurance managers in the world.

At the date of this report, the Group, through Markel CATCo Investment Management Ltd., manages nine investment funds and a Class 3 Bermuda reinsurance company. Net assets under management or advice are approximately $3.4 billion.

The Group offers retrocessional reinsurance expertise, and a disciplined and transparent approach to managing complex risks.

CAPITAL STRUCTURE

391,666,430 Ordinary Shares and 545,367,863 C Shares. Total number of voting rights in the Company is 937,034,293.

CHAIRMAN'S STATEMENT

Welcome to the 2018 Annual Report for CATCo Reinsurance Opportunities Fund Ltd. (the "Company").

In 2018, following a second consecutive year of significant catastrophic events, including Hurricanes Florence and Michael, Typhoon Jebi and California wildfires, together with the continuing and unexpected deterioration of the 2017 loss reserves, the Company recorded decreases of 58.43 per cent (2017: -27.60 per cent) in the net asset value (after deducting dividend payments) of its Ordinary Shares and 35.74 per cent in the net asset value of its C Shares.

This, when combined with certain events at the Investment Manager at the end of 2018 and the beginning of 2019, has led to the Board taking the difficult decision to put the Company's investment portfolios into run-off with effect from 30 June 2019.

FINANCIAL PERFORMANCE SINCE INCEPTION

The cumulative NAV total returns since inception to 31 December 2018 of the Ordinary Shares issued on 20 December 2010 and the various issuances of C Shares (all of which, except for the C Shares issued on 12 December 2017, have since been converted into Ordinary Shares) are listed as follows:

Share Class (Date of Issuance)	NAV Total Returns since Inception (to 31 December 2018)
Ordinary Shares (issued 20 Dec. 2010)	-45.28 per cent
C Shares issued (20 May 2011 – converted to Ordinary Shares in Aug. 2012)	-39.65 per cent
C Shares issued (16 Dec. 2011 - converted to Ordinary Shares in Aug. 2012)	-45.77 per cent
C Shares issued (2 Nov. 2015 – converted to Ordinary Shares in May 2017)	-67.67 per cent
C Shares (issued 28 November 2018)	-35.74 per cent

SIDE POCKET INVESTMENTS ("SPIs")

More SPIs were established in 2018 following the number of severe catastrophic events that occurred during the year. As at 31 December 2018, the SPIs in total represent c. 62.10 per cent of Ordinary Share NAV (2017: 65.90 per cent) and c. 46.76 per cent of C Share NAV. The SPIs in relation to 2015 to 2018 are as follows (in each case, as at 31 December 2018):

- 2015 SPIs, principally relating to U.S. and Canada winter storms and U.S. severe convective storms, amount to c. 2.04 per cent of the Company's Ordinary Share NAV (31 December 2017: c 1.60 per cent of Ordinary Share NAV).
- 2016 SPIs, established for the Fort McMurray wildfire, Jubilee oil field, Hurricane Matthew and the South Island earthquake in New Zealand, amount to c. 7.53 per cent of the Company's Ordinary Share NAV (31 December 2017: c. 8 per cent of Ordinary Share NAV).
- 2017 SPIs, principally relating to Hurricanes Harvey, Irma and Maria and the 2017 California wildfires, amount to c. 31.49 per cent of the Company's Ordinary Share NAV (31 December 2017: c. 55 per cent of Ordinary Share NAV).
- 2018 SPIs, principally relating to, inter alia, Hurricanes Michael and Florence, Typhoon Jebi and the 2018 California wildfires, amount to c. 21.05 per cent of the Ordinary Share NAV and c. 46.76 per cent of the C Share NAV.

On 11 March 2019, the Company announced its decision to consent to a partial waiver of 33.3334 per cent (one-third) of the management fee it indirectly pays to the Investment Manager in respect of SPIs, being exposed to SPIs by way of its holding of certain classes of share in the Master Fund. The reduction resulting from the waiver will have effect from 1 January 2019 until 31 December 2019, but is subject to possible extension by the Investment Manager and the Master Fund SAC.

ANNUAL DIVIDEND

Since inception, the Company has met its intentions of paying an annual dividend equal to LIBOR plus five per cent of the year-end NAV. With respect to 2018, dividends of $0.0265 per Ordinary Share and $0.0445 per C Share were paid to Shareholders on 25 February 2019.

Since inception, the Company has returned capital of $269 million to Ordinary and C Share Shareholders via dividends and return of value distributions with the original Ordinary Share Shareholders from December 2010 having received approximately 78 per cent of their original investment through such distributions.

EVENTS AT THE INVESTMENT MANAGER

On 6 December 2018, Markel Corporation reported that the U.S. Department of Justice, U.S. Securities and Exchange Commission and Bermuda Monetary Authority (collectively, the "Governmental Authorities") are conducting inquiries (the "Markel CATCo Inquiries") into loss reserves recorded in late 2017 and early 2018 at the Investment Manager and its subsidiaries (collectively, "Markel CATCo"). These inquiries are limited to Markel CATCo and do not involve Markel Corporation or its other subsidiaries.

Markel Corporation previously disclosed it had retained outside counsel to conduct an internal review of Markel CATCo's loss reserving in late 2017 and early 2018. The internal review has recently been completed. The internal review conducted by outside counsel found no evidence that Markel CATCo personnel acted in bad faith in exercising business judgment in the setting of reserves and making related disclosures during late 2017 and early 2018. Markel Corporation's outside counsel has met with the Governmental Authorities and reported the findings from the internal review. The Markel CATCo Inquiries are ongoing and Markel Corporation and the Investment Manager continue to fully co-operate with them. Markel Corporation cannot currently predict the duration, scope or result of the Markel CATCo Inquiries.

On 18 January 2019, Anthony Belisle and Alissa Fredricks ceased to be engaged by the Investment Manager and were replaced by Jed Rhoads and Andrew "Barney" Barnard.

The Board has no further information in relation to the Markel CATCo Inquiries and remains confident that the transition of the Investment Manager's management team can be carried out successfully.

RUN-OFF

Following a shareholder consultation in February 2019, the Board sought the approval of Shareholders to put the Company's portfolios into an orderly run-off (the "Run-Offs), which approval was given on 26 March 2019.

The Run-Offs will be implemented principally by redeeming all of the Company's Master Fund Shares attributable to the Ordinary Shares or C Shares (as the case may be) as of 30 June 2019 and distributing the net proceeds thereof to the relevant class of Shareholders. There can be no assurances in relation to the length of the Run-Offs as they are dependent on the underlying reinsurance contracts going "off risk" and any related loss reserves being settled and collateral balances released (which is out of the Company's and the Investment Manager's control).

As such, the Company does not intend to continue to pay an annual dividend, and no continuation votes will be held while the Company remains in run-off.

CLOSING REMARKS

I would like to acknowledge the hard work and co-operation of both the Company's Board and Markel CATCo throughout 2018, which have enabled the Company to respond proactively to the events described above.

In particular, I would like to extend my thanks to Alastair Barbour, who is due to retire from the Board towards the end of 2019. Alastair has served tirelessly as a non-executive Director since 2011, and his coolheaded support will be greatly missed.

I look forward to continuing to serving you in my role as Chairman as the Company enters into the next phase of its life.

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

INVESTMENT MANAGER'S REVIEW

During 2018 the Company experienced a second successive year of severe catastrophic activity, with 2017 and 2018 now being recognized as the first and fourth highest insured loss years on record respectively[1]. As a result, for the year ended 31 December 2018, the Company experienced a decline in NAV of -35.74 per cent in the year for the C Shares issued in November 2018. Separately, the NAV of the Ordinary shares declined by -58.43 per cent due to (i) adverse loss development experienced during 2018 on the 2017 loss events and (ii) 2018 portfolio losses.

Looking ahead, the Company's investment portfolio team has constructed a fully diversified 2019 portfolio with an illustrative maximum net return (assuming no losses)* of 30 per cent which is up from the 2018 portfolio maximum net no loss return of 23 per cent. The Investment Manager has continued to experience strong buyer demand for its unique reinsurance strategy for the 1 January 2019 renewals and, notwithstanding the recent decision to put the existing portfolios into run-off, it remains committed to delivering the 2019 portfolio to the Company's Shareholders.

* This figure represents the Company's projected net portfolio returns, is for illustrative purposes only and does not take into account any unforeseen costs, expenses or other factors which may affect the Company or its assets.

2018 SIGNIFICANT LOSS EVENTS UPDATE

Global insured losses during 2018 are estimated to be $80bn[1], the fourth costliest year on record, compared to 2017, the worst year on record which resulted in over $140bn[1] of insured losses. Both years endured a confluence of wind and wildfire events late in the year causing unprecedented levels of trapped capital industry wide and made for a dislocated January 1 renewal.

During the month of September, Typhoon Jebi made landfall in the Japanese Prefecture of Tokushima on Shikoku Island as the equivalent of a Category 3 hurricane. The typhoon made a second landfall on the main island of Honshu where it affected Kobe and Osaka. Typhoon Jebi is the most intense tropical cyclone to make landfall over Japan since Typhoon Yancy in 1993. Typhoon Jebi has also made its mark as Japan's largest typhoon-related insurance and reinsurance market loss on record. Munich Re estimates that insured losses total roughly $9 billion[1], which is slightly higher than the insured loss of Typhoon Mireille in 1991.

A few weeks later, Typhoon Trami made landfall near the city of Tanabe City in the Wakayama Prefecture as the equivalent of a Category 2 hurricane. Trami impacted the region with heavy rainfall, high winds and storm surge causing extensive power outages and disruption to transportation, causing an estimated $2bn[1] in further insured losses to the region.

During the same time period, Hurricane Florence was making landfall in Wrightsville, North Carolina as a Category 1 hurricane, causing heavy rainfall and major flooding across the Carolinas region. The latest insured loss estimate as at 6 February 2019 for Hurricane Florence is $4.4bn[2] of insured losses.

Less than a month later, Hurricane Michael made landfall in the Florida Panhandle, near Mexico Beach as a Category 4 hurricane making it the strongest hurricane to affect the Continental U.S. since Hurricane Andrew in 1992 and the most powerful hurricane to impact the Florida Panhandle since the first records were recorded in 1851. After making landfall in Florida, Hurricane Michael headed northeast through Georgia as a Category 3 storm and then along the Mid-Atlantic States. The latest insured loss estimate as at 3 March 2019 for Hurricane Michael $8.6bn[2].

While not nearly as devastating as the Harvey, Irma, Maria ("HIM") trio in 2017, Typhoons Jebi and Trami followed by Hurricanes Florence and Michael are estimated to be close to $30bn once fully developed. In addition to these 2018 events, due to late reporting by primary carriers, the PCS estimate for HIM increased a further $13bn in 2018 to $69bn[2], which does not include the associated loss adjustment expenses which are upwards of 20 per cent in the case of Irma as a result of the ongoing AOB (assignment of benefits) litigation in Florida.

Similar to 2017, late in the fourth quarter, which is typically quiet from an insured catastrophe perspective, massive wildfires charred both North and South California in almost identical areas. Most notably, the Camp Fire, the deadliest and most destructive wildfire to ever impact the State started in Butte County in Northern California, just adjacent to where the Tubbs / Atlas outbreaks took place in 2017, and within days, completely destroyed the entire town of Paradise with an estimated $9.17bn[2] of insured damages as at 8 April 2019.

At the very same time, 500 miles to the South, the Woolsey Fire ignited in Ventura County which is home to some of the highest valued properties in the US and not too far from where the Thomas Fire wreaked havoc one year prior. The Woolsey Fire is estimated to have caused $3.83bn[2] in insured losses as 8 April 2019.

Nevertheless, over the past 30 years there has been approximately $40bn[2] in insured losses as per PCS due to Wildfire (trended and inflated), with nearly $30bn[2] of the losses occurring in the last two years.

1 Munich Re NatCat SERVICE, January 2019
2 PCS

LOSS RESERVES

2017 Loss events
As previously reported in the interim financial report, significant uncertainty has existed regarding the loss events of 2017, with the industry continuing to experience growth in losses from HIM and the California wildfires. The Company itself announced that the Investment Manager had increased its recorded loss reserve in relation to the 2017 events in April and November/December 2018 resulting in an equivalent 2017 NAV return on the Ordinary shares of -61.43 per cent.

2018 Loss events
During 2018, the Investment Manager recorded total loss reserves of c. 61.20 per cent across the following main loss events:

Loss Event	Loss Reserve (percent of C Shares)
Typhoon Jebi	c. 9.10 per cent
Hurricane Florence and Hurricane Michael	c. 15.69 per cent
California Wildfires	c. 35.05 per cent
Attritional loss reserves	c. 1.23 per cent

Whilst significant uncertainty exists when estimating reserves, the Investment Manager has established initial 2018 loss event reserves based on the information available including catastrophe modeled data, industry insured loss estimates, and advice from brokers and cedants whilst also factoring in further conservatism following the industry wide learning from the loss development experienced on 2017 loss events. The Investment Manager will continue to review these specific reserves throughout 2019 and beyond, and reminds Shareholders that the expected portfolio exposure to 2018 loss events could change materially, resulting in either an increase or decrease to reserves, after further information has been made available.

Furthermore, as a result of the 2018 loss activity, the 2018 side pocket investments established represented c. 47 per cent of the C Shares as at 31 December 2018.

2019 OUTLOOK

With 2017 and 2018 being two of the four worst insured loss years on record, the retrocessional reinsurance market has entered into a period of hardening market conditions with reduced capacity compared with previous years, leading to stronger product demand. As a result, the Investment Manager has been able to build a globally-diversified 2019 portfolio with improved reinsurance terms and an enhanced return profile that is attractive to investors seeking an alternative, non-correlated investment opportunity.

Separately, on the back of these two heavy loss years, the entire ILS industry is currently navigating its way through new challenges such as unprecedented amounts of trapped capital, loss creep leading to severe loss development and a higher frequency of events in recent years compared with the relatively benign period between 2011 and 2016. Specifically as it relates to trapped capital, the Investment Manager will continue to work closely with its reinsurance counterparties in 2019 in the proactive management of the side pocket investments in place and will seek to release capital back to shareholders in a proactive, timely and orderly manner.

Finally, given the recent decision by the Company's Shareholders to put the existing portfolios into run-off, the Company will seek to return expiring mid-year deal capital to its Shareholders post mid-year risk expiration, which, subject to side pockets, will help investors to gain capital back via an orderly portfolio redemption process.

Jed Rhoads
Markel CATCo Investment Management Ltd.

18 April 2019

FINANCIAL HIGHLIGHTS

2018 SUMMARY

		As at 31 December 2018		As at 31 December 2017		Change
Fund Total Net Asset Value	$	479,805,522	$	884,606,214	$	(404,800,692)
Ordinary Shares						
Net Asset Value	$	136,259,360	$	349,165,708	$	(212,906,348)
Shares in issue		391,666,430		391,666,430		-
Net Asset Value per Share	$	0.3479	$	0.8915	$	(0.5436)
Share price	$	0.2250	$	1.0150	$	(0.7900)
Premium / (Discount) to NAV		(35.33)%		13.85 %		(49.18) %
Dividend declared and payable per Share	$	0.0265 [1]	$	0.0548 [2]	$	(0.0283)
Total return after performance fee		(58.43)% [3]		(27.60) % [3]		(30.83) %
Ongoing charges		(1.75)%		(2.09) %		0.34 %
C Shares						
Net Asset Value	$	343,546,162		535,440,506	$	(191,894,344)
Shares in issue		545,367,863		546,367,863		(1,000,000)
Net Asset Value per Share	$	0.6299		0.9800	$	(0.3501)
Share price	$	0.4250		1.0200	$	(0.5950)
Premium / (Discount) to NAV		(32.53)%		4.08 %		(36.61) %
Dividends declared and payable per Share	$	0.0445[1]		-	$	0.0445
Total return after performance fee		(35.74)% [3]		- %		(35.74) %
Ongoing charges		(1.34)%		- %		(1.34) %

HIGHS AND LOWS

	2018		2017	
Ordinary Shares	**High**	**Low**	**High**	**Low**
Net Asset Value per Share at month end	$0.8941	$0.3479	$1.3111	$0.8915
Share price	$0.8025	$0.2250	$1.3550	$1.0150
Premium / (Discount) to NAV[4]	5.70%	(35.33)%	13.85%	(4.85)%
C Shares				
Net Asset Value per Share at month end	$1.1287	$0.6190	$0.98	
Share price	$1.0375	$0.4250	$1.0200	
Premium / (Discount) to NAV[4]	3.46%	(32.53)%	4.08%	

1 Record Date 8 February 2019
2 Record Date 9 February 2018
3 Total return after adjusting opening capital for dividend declared
4 As recorded at any given month end

NAV TOTAL RETURNS SINCE INCEPTION OF SHARES TO 31 DECEMBER 2018

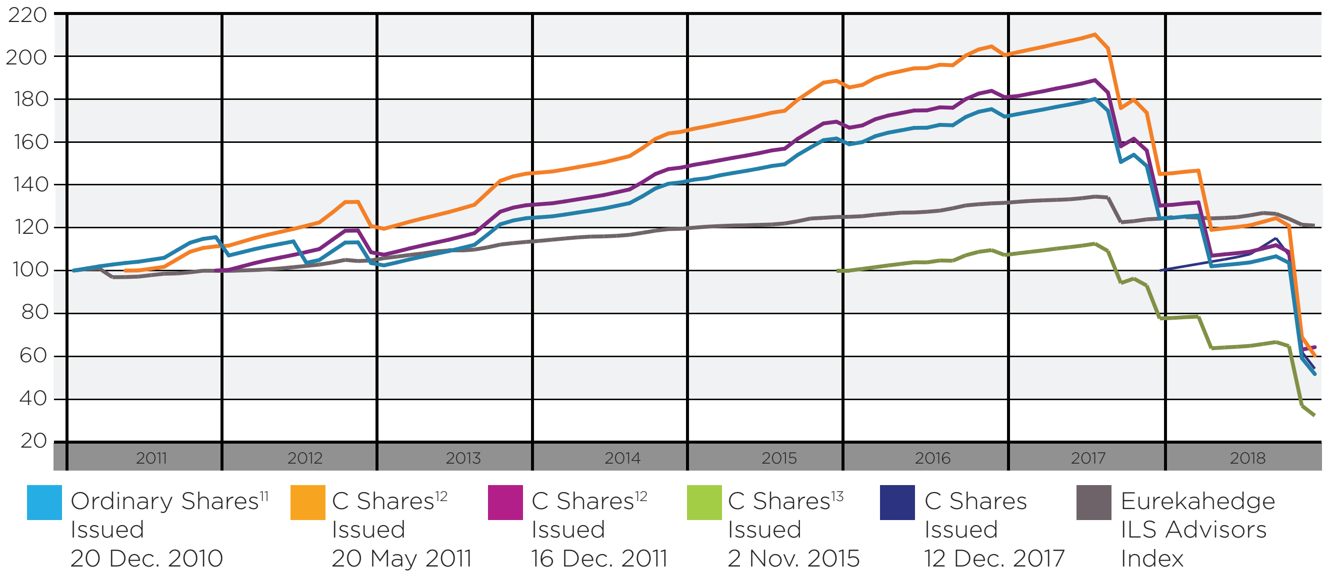
Ordinary Shares issued on 20 Dec. 2010 to 31 Dec. 2018	(45.28)%
C Shares issued on 20 May 2011 to 31 Dec. 2018	(39.65)%[5]
C Shares issued on 16 Dec. 2011 to 31 Dec. 2018	(45.77)%[5]
C Shares issued on 2 Nov. 2015 to 31 Dec. 2018	(67.67)%[6]
C Shares issued on 28 Nov. 2017 to 31 Dec. 2018	(35.74)%

NAV PERFORMANCE PER YEAR SINCE INCEPTION

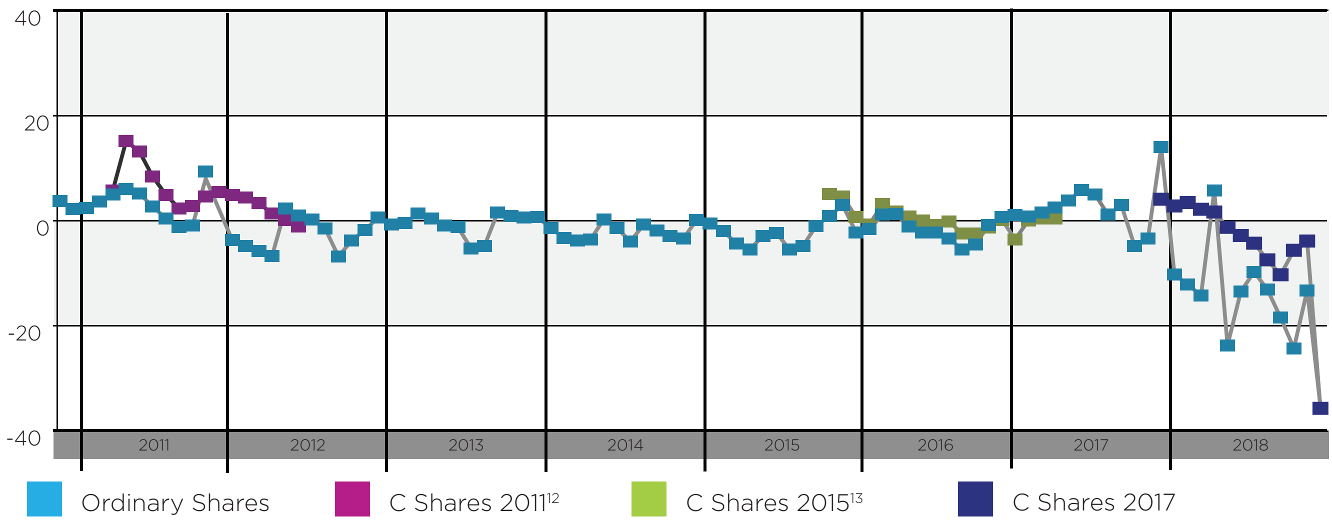
	Ordinary Shares[7,8,9] **Exposure to 2012 Loss Reserves**	**Ordinary Shares**[8, 9] **Exposure to 2011 & 2012 Loss Reserves**
2011 Annual Return	11.69%	7.43%
2012 Annual Return	7.06%	(4.32)%
2013 Annual Return	21.90%	21.90%
2014 Annual Return	14.08%	17.08% [10]
2015 Annual Return	11.58%	11.58%
2016 Annual Return	8.12%	8.12%
2017 Annual Return	(27.60)%	(27.60)%
2018 Annual Return	(58.43)%	(35.74)%

5 Total returns since inception for C Shares issued include performance post C Share conversion to Ordinary Shares on 10 August 2012
6 Total returns since inception for C Shares issued include performance post C Share conversion to Ordinary Shares on 23 May 2017
7 Previously C Shares issued in May 2011 prior to C Share conversion to Ordinary Shares in August 2012
8 Past performance is not a guide to future returns
9 Before deduction of Establishment Expenses
10 This includes a 3% capital return paid as a contingent distribution in January 2014

PERFORMANCE ANALYSIS



PREMIUM/DISCOUNT TO NET ASSET VALUE



11. Does not include the 3% capital return paid as a contingent distribution in January 2014
12. CATCo 2011 C-Shares were converted to Ordinary Shares on 10 August 2012
13 CATCo 2015 C-Shares were converted to Ordinary Shares on 23 May 2017

BOARD OF DIRECTORS

JAMES KEYES
Chairman and Non-Executive Director

James Keyes is a Bermuda resident and citizen. James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (M.A. with Honours) in 1985. He was admitted as a Solicitor in England & Wales in 1991 and as an attorney to the Bermuda Bar in 1993.

He was a Managing Director of Renaissance Capital, an emerging markets investment bank, from 2008 until 2012. Prior to that, he was a partner of Appleby for eleven years. He joined Appleby in 1993 and was team leader of the Funds & Investment Services Team. Before Appleby, he was employed in the Corporate Department of Freshfields law firm, and worked in their London, New York and Hong Kong offices. He became a Notary Public in 1998.

James acts as a Director on a number of investment funds and private companies. He joined the Board of Directors of CATCo Reinsurance Opportunities Fund Ltd. on 7 December 2010, and was appointed Chairman on 6 April 2017.

MARGARET GADOW
Management Engagement Committee Chairman and Non-Executive Director

Margaret Gadow has over 28 years' experience in equities investment management. She followed Japanese equities at Credit Suisse (Geneva) for two years before moving on to managing Asian emerging equities for thirteen years, working at Robert Fleming and then Gartmore. Upon leaving fund management in 2003, Margaret served as non-executive Director for an offshore China fund for four years and also ran her own investment management consultancy. Most recently, she served as Product Manager (UK Equities) at Schroders in London for five years. She holds a degree in political science and international relations from the University of Wisconsin-Madison. She joined the Board of CATCo Reinsurance Opportunities Fund Ltd. on 31 May 2012.

ALASTAIR BARBOUR
Audit Committee Chairman and Non-Executive Director

Alastair Barbour is a Chartered Accountant with 28 years' experience spent auditing and advising Boards of Directors and executive management of public companies and groups in the UK and internationally. Previously, he was a partner of KPMG, having been with that organisation in Bermuda between 1985 and 1991 and then in the UK until his retirement in 2011. He has worked principally in the financial services industry and has extensive experience in advising on accounting, financial reporting and corporate governance matters. He is also a Director of RSA Insurance Group plc and Phoenix Group Holdings, and Deputy Chairman of Liontrust Asset Management Company plc, all of which are listed on the London Stock Exchange, and also The Bank of N.T. Butterfield & Son Limited, which is listed on the Bermuda and New York Stock Exchanges. He is also a Director of Markel CATCo Reinsurance Fund Ltd. He joined the Board of Directors of CATCo Reinsurance Opportunities Fund Ltd. on 1 April 2011.

STRATEGIC REPORT

STRATEGY

The purpose of this Strategic Report is to provide Shareholders with details of the Company's strategy and business model, as well as the principal risks and challenges that the Company has faced during the year under review and how the Directors have executed their responsibilities.

The Board is responsible for the stewardship of the Company, including overall strategy, investment policy, borrowings, dividends, corporate governance procedures and risk management. Biographies of the Directors can be found on page 13.

As from 8 December 2015, the management of the investment portfolio has been conducted by the Investment Manager by investment in Markel CATCo Diversified Fund (the 'Master Fund"), a segregated account of Markel CATCo Reinsurance Fund Ltd. (the "Master Fund SAC") which is a segregated accounts company incorporated in Bermuda. A summary of the terms of the management agreement is contained in the Directors' Report on pages 16 and 17.

INVESTMENT OBJECTIVE

During the period from inception of the Company to 26 March 2019, the investment objective of the Company and the Master Fund SAC was to give their Shareholders the opportunity to participate in the returns from investments linked to catastrophe reinsurance risks, principally by investing in fully collateralised Reinsurance Agreements accessed by investments in Preference Shares of Markel CATCo Re Ltd (the "Reinsurer"). The Master Fund SAC continues to pursue that investment objective.

However, with effect from 26 March 2019, the Company's Shareholders voted to amend the Company's investment policy so as to implement an orderly run-off of the Company's portfolios (the "Run-Offs") with the effect that the Company's investment policy is limited to realising the Company's existing investments in the Master Fund attributable to the Ordinary and C Shares respectively in an orderly manner and distributing the net proceeds thereof to the Ordinary and C Shareholders (after payment of any costs and save for any amount required for reserves in respect of anticipated liabilities and for working capital purposes, and subject to side pockets).

The investment policy of the Master Fund SAC appears below, and explains how the Master Fund SAC has invested its assets with a view to spreading investment risk in accordance with its investment policy.

MASTER FUND INVESTMENT POLICY AND INVESTMENT STRATEGY

The Master Fund spreads investment risk by seeking exposure to multiple non-correlated risk categories so as to endeavour to limit the amount of capital at risk with respect to a single catastrophic event.

The Master Fund operates within the following limits:

- no more than 20 per cent of its capital will be exposed to a single catastrophic event;
- capital will only be exposed to catastrophic events at loss levels that have not occurred more than twice in the past 40 years on a trended loss estimate basis, unless otherwise approved by the Board of Directors of the Master Fund SAC;
- capital will be exposed to aviation and marine (including offshore energy) losses caused by catastrophes; and
- at least 50 per cent of capital will be exposed to residential and commercial property losses.

At 31 December 2018, the Master Fund's Portfolio of Investments reflected the stated guidelines.

When investing, the Investment Manager's policy is to move freely between different risk perils as opportunities arise. There are no limits to geographical or sector exposures, except as stated above, but these are reported to, and monitored by, the Board of Directors in order to ensure that adequate diversification is achieved.

A portfolio review by the Investment Manager is given on pages 8 and 9 and an analysis of portfolio performance is shown on pages 10 to 12.

While there is a comparative index for the purpose of measuring performance, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A short term view is taken and there may be periods when the net asset value per Share declines both in absolute terms and relative to the comparative index.

BORROWING

The Company will not borrow for investment purposes, although it may borrow for temporary cash flow purposes such as for satisfying working capital requirements. The Master Fund SAC will not borrow for investment or other purposes but may invest in Insurance-Linked Instruments which are themselves leveraged.

REVIEW OF PERFORMANCE

An outline of the performance, market background, investment activity and portfolio during the year under review, as well as the investment outlook, are provided in the Chairman's Statement and Investment Manager's Review. Details of the Company's performance during the year under review and since inception are shown on pages 10 to 12. The distribution of the Company's investments is shown on page 39.

MANAGEMENT OF RISK

The Investment Manager's risk objectives are closely linked to their performance goals. They seek to optimise trade-offs to ensure that they meet their return objectives, control the volatility of these returns, track underlying liquidity and identify and manage macro-factor risk.

The Board of Directors regularly reviews the major strategic risks that the Board and the Investment Manager have identified, and against these, the Board sets out the delegated controls designed to manage those risks. The principal risks facing the Company, in addition to the reinsurance risks as discussed above, relate to the Company's investment activities and include market price, interest rate, liquidity and credit risk. Such key risks relating to investment and strategy including, for example, inappropriate asset allocation or borrowing are managed through investment policy guidelines and restrictions, and by the process of oversight at each Board meeting as previously outlined.

Operational disruption, accounting and legal risks are also covered annually, and regulatory compliance is reviewed at each Board meeting.

VIABILITY STATEMENT

In accordance with provision C.2.2 of the UK Corporate Governance Code, published by the Financial Reporting Council ("FRC") in April 2016, the Directors have assessed the prospects of the Company over the three-year period to the Annual General Meeting in 2022. The Master Fund SAC, through which the Company invests, granted a special redemption right to all shareholders in the Master Fund, exercisable by 29 March 2019, which will allow the shareholders to redeem all or part of their shares in the Master Fund as of 30 June 2019 (the "Special Redemption Right").

In view of the Company's amended investment policy with effect from 26 March 2019, the Company has exercised the Special Redemption Right in respect of 100% of the Company's shares in the capital of the Master Fund SAC attributable to the Master Fund (the "Master Fund Shares"). The Master Fund SAC is now expected to redeem the applicable Master Fund Shares as at 30 June 2019 in accordance with their terms (including side pocket terms). It is expected that the Company's portfolio will thereafter comprise cash and the shares held by the Master Fund SAC related to 2019 risk as well as side pockets shares holding risk from 2015-2018. The Directors therefore anticipate that the Company will continue in existence at least until the orderly Run-Offs of the Company's portfolios have completed, which are expected to be complete by December 2022, assuming no further capital is raised between then and the date of this Report.

In their assessment of the viability of the Company, the Directors have considered each of the Company's principal risks and uncertainties detailed in the section above, and, in particular, the reinsurance risks discussed in the "Master Fund Investment Policy" section above, risks relating to investment portfolio underperformance and failure to maintain discount/ premium within a predetermined range. With respect to reinsurance risk, the Directors have taken into account the management of risk through the Reinsurer writing a balanced portfolio across a suitable range of pillars, that the risks are fully collateralized and that sufficient funds are held in trust accounts until claims are settled within a period of three years.

Based on the Company's processes for monitoring costs, the share price discount, the Investment Manager's compliance with the investment objective, asset allocation, the portfolio risk profile, counterparty exposure, liquidity and credit risk and financial controls, the Directors have concluded that they have a reasonable expectation that the Company will be able to continue its operations and meet its liabilities as they fall due over the three-year period to the Annual General Meeting in 2022.

SOCIALLY RESPONSIBLE INVESTMENT POLICY

The Board of Directors considers that the Company has no direct social, environmental or community responsibilities other than providing global retrocessional reinsurance protections against catastrophic event occurrences.

GENDER REPRESENTATION

At 31 December 2018, there were two male Directors and one female Director on the Board. The Board's policy on diversity is set out on page 22.

By order of the Board of Directors

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

DIRECTORS' REPORT

The Board of Directors submit their annual report together with the results of the Company for the year ended 31 December 2018.

BUSINESS

The Company is a limited liability closed ended fund, registered and incorporated as an exempted mutual fund company in Bermuda with an indefinite life.

The Company is organised as a 'feeder fund', and, for the year ended 31 December 2018, invested substantially all of its assets in the Master Fund, which is a segregated account of the Master Fund SAC, a mutual fund segregated account company of unlimited duration incorporated in Bermuda. Markel CATCo Diversified Fund accesses all of its exposure to fully collateralised Reinsurance Agreements through the Reinsurer.

The Master Fund SAC, through which the Company invests, granted a special redemption right to all shareholders in the Master Fund, exercisable by 29 March 2019, which will allow the shareholders to redeem all or part of their shares in the Master Fund as of 30 June 2019 (the "Special Redemption Right").

DIVIDEND

From inception to 31 December 2018, the Company's target annual dividend was an amount equal to LIBOR plus 5 per cent. of the net asset value per share at the end of each fiscal year (the "Annual Dividend"). On 15 November 2017, the Company announced that the Board had decided to enhance the current dividend policy, and would consider paying an additional special dividend (the "Special Dividend") from 2019 (in respect of the financial year ending 31 December 2018) onwards, in relation to both the Ordinary and the C Shares.

The Special Dividend would be an amount equal to the level of accumulated profits of each shares class in the relevant fiscal year in excess of LIBOR plus 7.5 per cent (the "Performance Threshold"). The Performance Threshold was not met during the financial year ended 31 December 2018.

On 31 January 2019, the Company announced an annual dividend of $0.0265 in respect of each of the Ordinary Shares, and an annual dividend of $0.0445 in respect of each of the C Shares, for the year to 31 December 2018, payable on 25 February 2019. The record date for these dividends was 8 February 2019 and the ex-dividend date 7 February 2019.

As noted in the Strategic Report on page 14, subsequently the Company has exercised the Special Redemption Right in respect of 100% of its Master Fund Shares, and the Master Fund SAC is expected to redeem the applicable Master Fund Shares as at 30 June 2019. The Company intends to distribute the net proceeds of the redemption of these Master Fund Shares (after payment of any costs and save for any amount required for reserves in respect of anticipated liabilities and for working capital purposes, and subject to side pockets) to Ordinary Shareholders or C Shareholders (as the case may be). The timing and amount of each distribution will be at the Company's discretion. The Company may delay the distribution until a material amount is available for distribution to avoid the cost and administrative burden of distributing small amounts. The Company intends to make an announcement by means of a Regulatory Information System prior to each distribution regarding the amount and timing of the distribution.

EMPLOYEES

The Company has no employees; its investments and operational functions are managed by the Investment Manager.

POLICY FOR THE PAYMENT OF CREDITORS

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business

RELATED PARTY TRANSACTIONS

The Investment Manager, which was appointed as the Company's Investment Manager on 8 December 2015, is also the investment manager of the Master Fund and the insurance manager of the Reinsurer.

Under the investment management agreement (the "Investment Management Agreement") between the Company and the Investment Manager entered into on 8 December 2015, the Investment Manager is entitled to a management fee, calculated and payable monthly in arrears equal to 1/12 of 1.5 per cent of the net asset value of the Company which was not attributable to the Company's investment in the Master Fund Shares as at the last calendar day of each calendar month. In addition, the Investment Manager is entitled to a monthly fee payable for secretarial, accounting and administrative services of 1/12 of $275,000. On 11 March 2019, the Company announced its decision to consent to a partial waiver of 33.3334% (one-third) of the management fee it indirectly pays to the Investment Manager in respect of side pocket investments, being exposed to side pocket investments by way of its holding of certain classes of share in the Master Fund. The reduction resulting from the waiver will have effect from 1 January 2019 until 31 December 2019, but is subject to possible extension by the Investment Manager and the Master Fund SAC. Performance fees are charged in the Master Fund SAC. As at the date of this report, Markel Corporation ("Markel"), which holds the entire share capital of the Investment Manager, holds, through its asset management subsidiary, 2.16 per cent of the total voting rights of the Ordinary Shares and C Shares issued by the Company. In addition, all of the Directors of the Company are also Shareholders of the Company.

INVESTMENT MANAGER

In monitoring the performance of the Investment Manager, the Board considers the performance of the Company as described on page 15. The Board also reviews the management processes, risk control mechanisms and marketing activities of the Investment Manager. In view of recent developments involving the Investment Manager, namely:

(i) the inquiries by the United States Department of Justice, the United States Securities and Exchange Commission, and the Bermuda Monetary Authority into loss reserves recorded late in 2017 and early in 2018 by the Investment Manager and its subsidiaries, including the Reinsurer (as noted in the press releases issued by Markel Corporation on 6 December 2018 and 7 March 2019, and the related announcements by the Company on 7 December 2018 and 8 March 2019); and

(ii) the departure of two senior executives of the Investment Manager, Tony Belisle, former Chief Executive Officer and Alissa Fredricks, former Chief Executive Officer-Bermuda, as announced by the Company on 21 January 2019, and subsequent lawsuits brought by these individuals against the Investment Manager and Markel (as noted in Markel's 2018 Annual Report and Form 10-K issued 20 March 2019).

Management and oversight of the Investment Manager and its subsidiaries is currently being provided by Jed Rhoads, President and Chief Underwriting Officer, Markel Global Reinsurance, and Andrew "Barney" Barnard, Senior Managing Director, Head of International Property Catastrophe and Retro Reinsurance at Markel Global Reinsurance, with additional resources being provided by Markel. Notwithstanding this, the Board is keeping and intends to keep the Company's investment management arrangements under close and regular review as the transition of the Investment Manager's management team takes place.

The Board considers the continuing appointment of the Investment Manager to be in the best interests of the Company's Shareholders because the Investment Manager has the investment management, marketing and associated secretarial and administrative skills required for the effective operation of the Company during the Run-Offs.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD" OR "THE DIRECTIVE")

The AIFM Directive seeks to regulate alternative investment fund managers ("AIFM") and imposes obligations on managers who manage alternative investment funds ("AIF") in the UK or EU or who market shares in such funds to UK or EU investors. The Company is categorized as an externally-managed non-EEA AIF for the purposes of the AIFM Directive. The Investment Manager qualifies as the non-EEA AIFM of the Company, as it carries out the majority of the risk management and portfolio management for the AIF.

In order to maintain compliance with the AIFMD, the Company needs to comply with various organizational, operational and transparency obligations, including the pre-investment disclosure information required by Article 23 of the AIFM Directive and is available at the Company's website www.catcoreoppsfund.com. There have been no material changes to this information since it was published.

The AIFM has adopted a Remuneration Policy which accords with the principles established by AIFMD. The Remuneration Policy which provides quantitative details of the remuneration is available upon request to the AIFM by UK or EU investors.

GOING CONCERN STATUS

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement, Investment Manager's Review and in this Report.

In accordance with the UK Corporate Governance Code (the "Governance Code") issued in April 2016 (provision C.1.3) and the associated Financial Reporting Council Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Board of Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board of Directors have also considered the Company's longer-term viability, and their statement on that (as required by provision C.2.2 of the Governance Code) appears at page 15.

The Company's assets consist primarily of cash and investment exposure, through its holdings of shares in the Master Fund SAC.

The Board of Directors have reviewed forecasts and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future, and at least one year from the date of this annual report.

Accordingly, the Directors continue to adopt the going concern basis in preparing these accounts.

SHARE CAPITAL

The Company's issued share capital at 1 January 2018 amounted to 391,666,430 Ordinary Shares and 546,367,863 C Shares. On 21 September 2018 the Company bought back 1,000,000 C Shares in the market at a price of $0.98 per share. As at 31 December 2018, the Company's issued share capital amounted to 391,666,430 Ordinary Shares and 545,367,863 C Shares. That number is unchanged as at the date of this Report.

Note 7 to the Financial Statements contains further details relating to the Company's share capital.

SUBSTANTIAL INTERESTS

At 18 April 2019, the following interests in the issued share capital of the Company have been disclosed in accordance with the requirements of the UK Listing Authority's Disclosure Guidance and Transparency Rules:

Capital	Number of Shares Held*	% of Share
Quilter Investors	175,814,490	18.76
Aberdeen Standard Investments	92,902,031	9.91
Cazenove Capital Management	58,141,832	6.20
Baillie Gifford	52,016,258	5.55
Fidelity International	49,265,731	5.26
Weiss Asset Management	35,164,000	3.75
Premier Asset Management	34,550,000	3.69
JO Hambro Capital Management	32,000,000	3.42

* Total number of shares includes both Ordinary Share and C Share holdings

DIRECTORS

The Directors, who all held office throughout the year under review, together with their interests, are shown below. James Keyes was appointed Chairman of the Company on 6 April 2017, and Margaret Gadow was appointed Chairman of the Management Engagement Committee on the same date.

Alastair Barbour continues in his role as Chairman of the Audit Committee. As announced by the Company on 26 February 2019, Alastair Barbour has intimated his intention to resign as a Director of the Company towards the end of 2019. In view of the other non-executive directorships held by Mr Barbour, he has concluded that it is appropriate to reduce the number of directorships held by him in order to be able to dedicate the appropriate amount of time to his remaining commitments. The appointment of a successor to him is under consideration by the Board and is expected to be announced by the date of Mr Barbour's retirement.

No contract or arrangement significant to the Company's business and in which any of the Directors is interested has subsisted during the year.

The interests of the Directors in the Ordinary and C Shares of the Company were as follows:

	As at 31 December 2018		As at 31 December 2017	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares[1]
James Keyes	240,000	200,000	-	-
Alastair Barbour	75,000	-	130,000	-
Margaret Gadow	75,901	50,000	55,901	-

[1] C Shares issued 28 November 2017 and 7 December 2017 pursuant to the Initial Offer and Placing announced by the Company on 8 November 2017.

During the year under review, the Directors purchased and/or sold depositary interests in the Ordinary and C Shares of the Company as follows:

	Date of transaction	Purchase/Sale	Number of Shares	Class of Shares	Price
James Keyes	14 May 2018	Purchase	60,000	Ordinary	$0.5074
	20 June 2018	Purchase	180,000	Ordinary	$0.55
	29 August 2018	Purchase	100,000	C	$1.02
	24 September 2018	Purchase	100,000	C	$0.986
Alastair Barbour	14 May 2018	Purchase	26,250	Ordinary	GBP 0.37288
	28 September 2018	Sale	81,250	Ordinary	$0.5822
Margaret Gadow	14 May 2018	Purchase	20,000	Ordinary	GBP 0.37321
	29 August 2018	Purchase	50,000	C	$1.009

Since 31 December 2018, James Keyes has purchased depositary interests in the Ordinary and C Shares of the Company as shown in the table below. As at the date of this Report, his total interest in the share capital of the Company is 840,000 Shares (consisting of 540,000 Ordinary Shares and 300,000 C Shares). As at the date of this Report, since 31 December 2018, the interests of the other Directors in the share capital of the Company are unchanged.

Date of transaction	Number of Shares	Class of Shares	Price
2 January 2019	200,000	Ordinary	$0.245
10 January 2019	100,000	Ordinary	$0.245
10 January 2019	100,000	C	$0.45

DIRECTORS' REMUNERATION REPORT

The Directors are required to prepare an annual report detailing the remuneration of the Directors and to seek Shareholder approval of its contents. The remuneration report is set out on pages 27 to 28 of the Annual Report.

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

STATEMENT OF CORPORATE GOVERNANCE

The Company is domiciled in Bermuda which has no corporate governance regime equivalent to the UK Corporate Governance Code published by the Financial Reporting Council. However, since launch the Company has become a member of the Association of Investment Companies ("AIC") and is classified within the Specialist: Reinsurance Sector of the London Stock Exchange.

The UK Listing Authority requires all listed companies to describe how they have complied with the principles of the UK Corporate Governance Code published in April 2016 (the "Governance Code"), which is available on the Financial Reporting Council's website: www.frc.org.uk.

The AIC has also published a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide") which are available on the AIC's website: www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in the Governance Code, as well as setting out additional principles and recommendations on issues that are specific to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide, will provide better information to Shareholders.

APPLICATION OF THE PRINCIPLES OF THE CODES

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Governance Code, except the Governance Code provisions relating to:

- The role of the Chief Executive (A.2.1)
- Executive Directors' remuneration (D.2.1 and D.2.2)
- The need for an internal audit function (C.3.6)

For the reasons set out in the AIC Guide and in the preamble to the Governance Code, the Board considers these provisions are not relevant to the position of CATCo Reinsurance Opportunities Fund Ltd., being an externally-managed investment company. The Company has, therefore, not reported further in respect of these provisions.

The Board of Directors are committed to high standards of corporate governance and have put in place a framework for corporate governance, which they believe is appropriate for the Company.

THE BOARD

The Board sets the Company's values and objectives, and ensures that its obligations to its Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:

- the maintenance of clear investment objectives and risk management policies;
- the exercise of the Company's voting rights in relation to its interest in the Master Fund SAC and CATCo Reinsurance Fund Ltd.;
- the monitoring of the business activities of the Company, ranging from analysis of investment performance to annual budgeting and quarterly forecasting and variance analysis;
- Bermuda Companies Act requirements, such as the approval of the interim and annual Financial Statements, and approval and recommendation of the dividend;
- setting the parameters for any borrowing by the Company (noting that the Company will not borrow for investment purposes);
- major changes relating to the Company's structure, including Share issues;
- Board appointments and removals and the related terms;
- appointment and removal of the Investment Manager and the terms and conditions of the management and administration agreements;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority – approval of all circulars and listing particulars, and approval of all releases concerning matters decided by the Board of Directors.

The Board currently consists of three non-executive Directors. The names and biographies of those Directors appear on page 13 and indicate their range of investment, industrial, commercial and professional experience.

The Board has assessed the independence of the Directors against the criteria set out in the Codes, and has concluded that they are all independent of the Investment Manager and CATCo Investment Management Ltd. and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Chairman, James Keyes, was considered to be independent on his appointment. The AIC Code states that the test of independence continues to be appropriate and, consequently, the Board of Directors will follow the AIC Code. The Board of Directors are satisfied that James continues to have the appropriate independence to remain in this role.

The respective re-elections of James Keyes, Margaret Gadow and Alastair Barbour were considered and approved by the Board of Directors as a whole acting as the Nomination Committee (each of the Directors concerned having absented himself or herself from the relevant discussion).

The continuing independent and objective judgment of each Director was confirmed in the annual Board performance and evaluation process. The Board evaluation process also confirmed that the performance of the Director standing for re-election continued to be effective and that he/she continued to demonstrate commitment in his/her role. Throughout 2018, Directors have demonstrated flexibility and commitment in attending numerous Board and Committee meetings at short notice.

Directors' Attendance at Meetings During the Year Ended 31 December 2018

Directors have attended Board meetings and Committee meetings held during the year as shown below:

Director	Scheduled Board Meetings Attended	Special Purpose Committee/Board[1]	Audit Committee Meetings Attended[2]
J Keyes	4/4	5/7	1/1
A Barbour	4/4	4/7	1/1
M Gadow	4/4	3/7	1/1

1. There were seven special purpose Board or Committee meetings held during the year. Committee meetings were attended by one, two or all Directors. This figure includes one meeting of the Management Engagement Committee, which was attended by all Directors.
2. The business of the Audit Committee was also dealt with at a joint Audit Committee and Board meeting held during the year which considered as its sole agenda item the interim results to 30 June 2018 and the Interim Report to shareholders. This meeting is included in the meetings referred to in the first column of this table.

In addition to the above, the Directors meet privately at least once per year without the Investment Manager being present. The primary focus at regular Board meetings is the review of investment performance and associated matters, including gearing, asset allocation, marketing and investor relations, peer group information and industry issues. Between meetings, the Board of Directors maintains regular contact with the Investment Manager. This includes discussions with the Investment Manager, reviews of specific areas of interest and on-site visits. Alastair Barbour, Chairman of the Audit Committee, held regular discussions throughout the year with members of the Investment Manager's management team, in particular, from Finance and Compliance, as well as the external auditor.

In order to enable the Board of Directors to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Investment Manager's review and discussion of documents regarding specific matters. Directors have made further enquiries where necessary.

There is an agreed procedure for the Board of Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board:

- for ensuring that Board procedures are complied with under the direction of the Chairman, for ensuring good information flows with the Board and its committees, as well as facilitating induction and assisting with professional development as required; and
- for advising through the Chairman on all corporate governance matters.

When a Director is appointed, an induction process is arranged by the Investment Manager. This involves an induction meeting which covers details about the Company, its Investment Manager, legal responsibilities and the investment sector within which the Company operates.

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board of Directors as they arise.

The Board has a formal process for the consideration and authorisation by the Board, at each Board meeting, of any Directors' reported actual and potential conflicts of interest. In accordance with the Company's Bye-Laws and relevant legislation, each Director abstains from approval of their own position.

The Board of Directors and its Committees have undertaken their annual performance evaluation, using discussion, to ensure that all its members have devoted sufficient time and contributed adequately to the work of the Board of Directors and Committees, and to consider each Director's independence. The Chairman has also been evaluated by his fellow Directors. The Board considers that none of his other commitments (set out on page 13 of this Report) interfere with the discharge of his responsibilities to the Company, and is satisfied that he makes sufficient time available to serve the Company effectively. There have been no significant changes to the Chairman's other commitments during the period since his appointment.

EXTERNAL AGENCIES

The Board of Directors has contractually delegated to external agencies, including the Investment Manager and other service providers, certain services: the management of the investment portfolio; the registration and depository services; and the day-to-day accounting and administration functions. Each of these contracts was entered into after full and proper consideration by the Board of Directors of the quality and cost of services offered, in so far as they relate to the affairs of the Company. The Board of Directors receives and considers reports from the Investment Manager on a regular basis. In addition, ad hoc reports and information are supplied to the Board of Directors as requested.

COMMITTEES

Nomination Committee
No Nomination Committee has been established. The Board of Directors considers its size to be such that it would be unnecessarily burdensome to establish a separate nomination committee. As the Board consists entirely of independent Directors, the function of a nomination committee is therefore carried out by the Board as a whole.

Where the Board of Directors are dealing with the appointment of a successor to the chairmanship, the meeting will be chaired by another Director. The Board believes in equal opportunities and supports the principle that due regard should be had to the benefits of diversity, including gender, when seeking potential candidates. The Board recognises that diversity can bring insights that may make a valuable contribution to its effectiveness, and is committed to its diverse composition. In considering the appointment of a new Director, the Board of Directors will ensure that it continues to have the right balance of skills, diversity, experience, age and length of service. It may use the professional services of a search consultant to identify suitable candidates for review by the Board. The Board of Directors will consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board.

Audit Committee
The Audit Committee comprises all of the independent Directors including the Company Chairman. The Board considers it appropriate that the Company Chairman is a member of the Audit Committee, although he may not chair it, provided that he is considered by the Board to be independent, as is currently the case. Alastair Barbour, a chartered accountant, with recent financial experience, is the Chairman of the Audit Committee. The terms of reference of the Audit Committee, which are available on request, are reviewed and re-assessed for their adequacy on an annual basis.

The main activities of the Committee during the year included:

- the review of the effectiveness of the internal control environment of the Company – to assist with this the Committee received reports from the Investment Manager and external auditor on a regular basis;
- the review of the interim and annual Financial Reports before approval by the Board, focusing on compliance with accounting principles and policies, changes in accounting practice and major matters of judgment;
- the review of the terms of appointment of the auditor together with their remuneration, as well as the non-audit services provided by the auditor;
- the review of the scope and the results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees; and
- the review of the auditor's management letter and the management response.
- The significant issues considered by the Audit Committee during the year in relation to the annual report and financial statements were as follows:
- valuation of investments - the Company's accounting policy for valuation of investments is set out in Note 1 on pages 34 to 37. The Committee reviewed and questioned the valuation prepared by management taking account of the latest available information on the underlying business written by the Reinsurer and discussed with the auditor, the results of their audit of the businesses and their review of the valuation of investments. The Committee also questioned and discussed the basis of reserving for 2018 loss events to be satisfied that it had been appropriately updated to reflect most recent experience given the unprecedented continuing development of the losses from the hurricanes in 2017. For 2018,

given the uncertainty arising from hurricane Michael and typhoon Jebi the magnitude of the California wildfires, the Committee focused on, and challenged, the Investment Manager's modelled results, derived primarily from advices from loss reporting services and catastrophe modelling companies, and comparison to initial loss notices from ceding reinsurers to satisfy themselves that the covered event estimates were appropriate and that sufficient disclosure has been made in respect of the uncertainty as to ultimate settlement in relation to the covered events, as set out in Note 6 on pages 42 and 43. The Committee also had due regard for, and discussed the amount of, insurance-linked instruments classified as side pockets. The Committee satisfied itself that the valuation of investments at the period end was appropriate, included an appropriate margin for risk, had been properly prepared and had been applied on a consistent basis; and

- presentation and disclosure in the Annual Report - the Committee reviewed and considered the presentation of narrative and financial information in the Annual Report against the requirements of the UK Corporate Governance Code and the UK company law's provisions for a Strategic Report and Remuneration Report, which have been adopted on a voluntary basis and, in relation to the Financial Statements, the framework of applicable accounting standards. The Committee reviewed and discussed reports from the Investment Manager and the auditor and satisfied itself that the presentation and disclosure in the annual report is appropriate, fair balanced and understandable, and that the key areas of risk and judgement have been appropriately addressed in the Financial Statements and that significant assumptions have been properly appraised and are appropriately robust.

Auditor
The external auditor, KPMG Audit Limited, who have acted as the Company's auditor since 2013, attend at least one meeting of the Audit Committee annually, and meet at least annually with the Audit Committee in the absence of the Investment Manager. The Audit Committee discusses and agrees the scope of the audit plan for the full year and the auditor's report on their findings at the conclusion of the audit. Audit fees of $70,000 (2017: $70,000) were incurred for the year. The audit of the Company was last put out to tender in 2013.

The Committee considers KPMG Audit Limited to be independent of the Company. Fees of $Nil (2017: $92,428) for non-audit services were paid to KPMG Audit Limited during the year, with the fees incurred in 2017 being in connection with the C Share issuance.

The Audit Committee assessed the effectiveness of the audit, the quality of the team and advice received from them through review of interaction with the auditor, reports received from them and discussion with management. The Audit Committee continues to be satisfied with the effectiveness of the work provided by KPMG Audit Limited and that they continue to remain objective and independent. The Audit Committee has therefore recommended to the Board that a resolution be put to Shareholders for the re-appointment of KPMG Audit Limited, and their remuneration in terms of engagement, at the Annual General Meeting.

Management Engagement Committee
As recommended by the AIC Code, a Management Engagement Committee has been established, comprising the full Board. The Chairman of the Committee is Margaret Gadow. The Committee meets once annually in order to review matters concerning the management agreements which exist withthe Investment Manager and CATCo Investment Management Ltd.

MANAGEMENT FEE

The Master Fund will pay monthly in arrears to the Investment Manager a management fee (the "Management Fee") equal to 1/12 of 1.5 per cent of the net asset value of the Company's Master Fund Shares as of the last calendar day of each calendar month as such net asset value is calculated prior to any accrual for or payment of any Management Fee or Performance Fee.

As noted in the Directors' Report, a partial waiver of 33.3334% (one-third) of the management fee is currently being applied to the management fee which the Company indirectly pays to the Investment Manager in respect of side pocket investments in the Master Fund. The reduction resulting from the waiver will have effect from 1 January 2019 until 31 December 2019, but is subject to extension by the Investment Manager and the Master Fund SAC.

PERFORMANCE FEE

The Master Fund will pay a fee to the Investment Manager in respect of the Company's Master Fund Shares based on performance (the "Performance Fee") at the end of each calendar year and upon redemptions, dividends and the winding up of the Master Fund (each, a "Performance Period") equal to 10 per cent of any New Net Income attributable to the Company's Master Fund Shares (after reduction for the pro rata share of Management Fees, organisational expenses, transactional and other expenses allocable to the Company's Master Fund Shares), provided that no Performance Fee will be payable in a Performance Period unless the Performance Trigger has been reached. The Performance Fee is applied on a "high water mark" basis such that in the event that the Company's Master Fund Shares suffer a net loss in a particular Performance Period, no Performance Fee will be paid with respect to such Performance Period or any subsequent Performance Period, until such net loss is first recovered (taking into account interim Redemptions, if any). No Performance Fee was payable in relation to the period under review.

REMUNERATION COMMITTEE AND DIRECTORS' REMUNERATION

The Board, as a whole, performs the function of a Remuneration Committee.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 27 and 28.

DIRECTORS' TERMS OF APPOINTMENT

All non-executive Directors are appointed subject to re-appointment in accordance with the existing Bye-Laws of the Company. The Bye-Laws provide that Directors are subject to election at the first annual general meeting following their appointment by the Board of Directors. Pursuant to a resolution of the sole Shareholder on 16 December 2010, at each annual general meeting of the Company one-third of the Directors or, if their number is not a multiple of three, then the whole number nearest to but below the number that represents one-third shall retire from office. The Directors to retire by rotation each year shall be those who have been longest in office since their last appointment or reappointment but as between Directors who became or were last re-appointed on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-appointment and shall, if he is not reappointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the dissolution of such meeting. The Board have adopted a policy that no Director may serve for more than three years without retiring and standing for re-appointment, but that all Directors will generally offer themselves for annual re-appointment.

POLICY ON TENURE

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis.

ACCOUNTABILITY AND AUDIT

The Directors' Statement of Responsibilities in respect of the Financial Statements is on page 26 and the Statement of Going Concern is included in the Directors' Report, on page 17. The Independent Auditor's Report is on page 29.

COMMUNICATION WITH SHAREHOLDERS

The Company places a great deal of importance on communication with its Shareholders. The Investment Manager has an annual programme of meetings with institutional Shareholders, and reports back to the Board of Directors on these meetings.

As required by the Governance Code, the Annual Report is posted to Shareholders at least twenty business days before the Annual General Meeting.

The Notice of Annual General Meeting on page 46 sets out the business of the meeting and the resolutions. Separate resolutions are proposed for each substantive issue.

The Board is very conscious that the Annual General Meeting is an event at which all Shareholders are encouraged to attend and participate. All Shareholders have the opportunity to put questions at the Annual General Meeting. The number of proxy votes is relayed to Shareholders at the Annual General Meeting after each resolution has been dealt with on a show of hands, and details are available on request.

The Company's reports and other publications can be downloaded from www.catcoreoppsfund.com. Shareholders who wish to communicate directly with the Board may do so by writing to the Board care of the Investment Manager's offices at: 8th Floor, 141 Front Street, Hamilton HM19, Bermuda, or by contacting the Company's Securities Brokers, Numis Securities Limited, whose contact details appear on page 49.

INTERNAL CONTROL

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place for the full year under review and up to the date of approval of the Financial Statements, and that this process is regularly reviewed by the Board of Directors.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to the Investment Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management.

The Investment Manager provides regular reports to the Board on the operation of their internal control system. Risk is considered in the context of the FRC guidance, and includes financial, operational, reputational, and market risk. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board of Directors.

The key components designed to provide effective internal control for the year under review and up to the date of this Annual Report are outlined below:

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities.
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third party service providers.
- At its Board meetings, the Board carries out an assessment of internal controls by considering documentation, including risk and compliance reports, from the Investment Manager, taking account of events since the relevant period end. The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed the need for an internal audit function, and has decided that the systems and procedures employed by the Investment Manager provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function is therefore considered unnecessary.

PROXY VOTING AND STEWARDSHIP

The FRC first published "The UK Stewardship Code" for institutional Shareholders on 2 July 2010, which was revised in September 2012.

The purpose of The UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to Shareholders and assist institutional investors with the efficient exercise of their governance responsibilities.

The FRC is encouraging institutional investors to make a statement of their commitment to The UK Stewardship Code.

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year.

Under that law, the Board has elected to prepare the financial statements in accordance with US Generally Accepted Accounting Principles ("US GAAP"). The financial statements are required by the Bermuda Companies Act 1981 to present fairly in all material respects the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping proper accounting records that are sufficient to disclose the Company's transactions and that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Bermuda Companies Act. The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The financial statements will be published on www.catcoreoppsfund.com, which is maintained by the Investment Manager, Markel CATCo Investment Management Ltd. The maintenance and integrity of the website maintained by Markel CATCo Investment Management Ltd. is, so far as it relates to the Company, the responsibility of Markel CATCo Investment Management Ltd.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Chapter 4 of the Disclosure and Transparency Guidance, and to the best of their knowledge, each Director of CATCo Reinsurance Opportunities Fund Ltd. confirms that the financial statements have been prepared in accordance with the applicable set of accounting standards and present fairly the assets, liabilities, financial position and profit or loss of the Company.

Furthermore, each Director confirms that, to the best of his or her knowledge, the management report (which consists of the Chairman's Report, the Investment Manager's Review, the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Alastair Barbour
Chairman of the Audit Committee
18 April 2019

DIRECTORS' REMUNERATION REPORT

An ordinary resolution for the approval of this report will be put to the members at the forthcoming annual general meeting.

DIRECTORS' EMOLUMENTS FOR THE YEAR

The Directors who served during the year received the following emoluments in the form of fees:

	For the year ended 31 December 2018 (US dollars)	For the year ended 31 December 2017 (US dollars)
Chairman		
James Keyes	80,000	75,000[1]
Chairman of Audit Committee:		
Alastair Barbour	65,000	65,000
Chairman of Management Engagement Committee:		
Margaret Gadow	60,000	60,000

[1] For the period 1 January to 5 April 2017, James Keyes received annual Director's fees of $60,000 pro rata, and, for the period from the date of his appointment as Chairman, 6 April 2017, to 31 December 2017, he received annual Chairman's fees of $80,000 pro rata.

POLICY ON DIRECTORS' FEES

The Board as a whole performs the function of a Remuneration Committee.

The Board has appointed the Investment Manager to provide information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment companies that are similar in size, have a similar capital structure and have similar investment objectives.

It is intended that this policy will continue for the year ending 31 December 2019 and subsequent years. The fees for the Non-executive Directors are determined within the limits set out in the Company's Bye-Laws.

The Company's Bye-Laws currently limit the aggregate fees payable to the Board of Directors to a total of $300,000 per annum.

Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

The Board as a whole carried out a review of the level of Directors' fees during the year and decided that they should remain unchanged for the year commencing 1 January 2019.

All Directors were members of the Board at the time of the review.

Directors' and officers' liability insurance is held by the Company in respect of the Directors. This insurance is neither a benefit in kind nor does it form part of the Directors' remuneration.

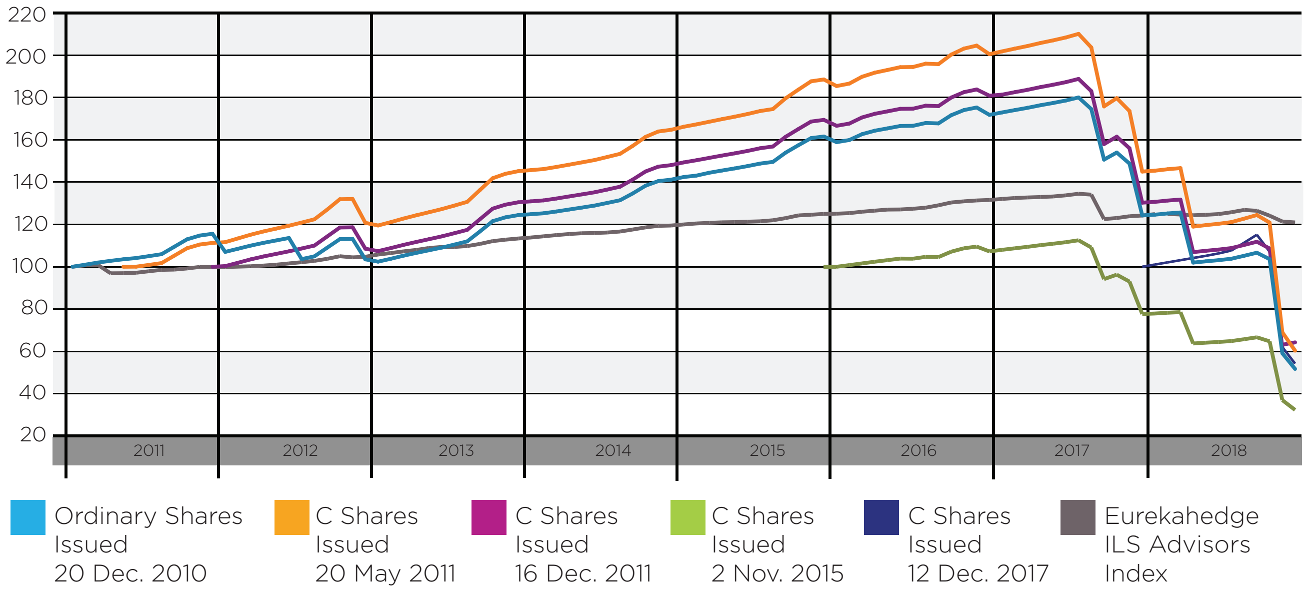
DIRECTORS' SERVICE CONTRACTS

Directors do not have a service contract but are provided with letters of appointment. The Board have adopted a policy that no Director may serve for three years without retiring and standing for re-appointment, but that, generally, all Directors will stand for annual re-appointment. At each annual general meeting of the Company, therefore, all of the Directors retire and are eligible for re-appointment. If not re-appointed at such meeting, a retiring Director retains office until the meeting appoints someone in his or her place, or if it does not do so, until the dissolution of such meeting. There is no notice period and no provision for compensation upon early termination of appointment.

COMPANY PERFORMANCE

The graph below compares, for the period from 1 January 2011 to 31 December 2018, the total return of Ordinary Shareholders and C Shareholders compared to the Eurekahedge Insurance-Linked Securities index. This index was chosen for comparison purposes only, and it is not a benchmark used for investment performance measurement.

For the period from 1 January 2011 to 31 December 2018 (rebased)



APPROVAL

The Directors' remuneration report was approved by the Board on 18 April 2019 and signed on its behalf by

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
CATCo Reinsurance Opportunities Fund Ltd.

We have audited the accompanying financial statements of CATCo Reinsurance Opportunities Fund Ltd., which comprise the statements of assets and liabilities as of 31 December 2018 and 2017, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CATCo Reinsurance Opportunities Fund Ltd. as of 31 December 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
18 April, 2019

STATEMENTS OF ASSETS AND LIABILITIES

(Expressed in United States Dollars)	31 Dec. 2018	31 Dec. 2017
	$	$
Assets		
Investments in Master Funds, at fair value (Notes 2 and 5)	421,660,837	347,692,465
Cash and cash equivalents (Note 3)	3,602,153	22,393,414
Due from Master Funds (Note 9)	54,753,242	100,000
Advance subscription in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund	—	515,000,000
Other assets	9,000	40,618
Total assets	480,025,232	885,226,497
Liabilities		
Accrued expenses and other liabilities	219,710	620,283
Total liabilities	219,710	620,283
Net assets	479,805,522	884,606,214
NAV per Share (Note 7)		

See accompanying Notes to Audited Financial Statements

STATEMENTS OF OPERATIONS

(Expressed in United States Dollars)	Year ended 31 Dec. 2018	Year ended 31 Dec. 2017
	$	$
Net investment loss allocated from Master Funds (Note 5)		
Interest income	4,379,432	855,847
Miscellaneous income	48,815	-
Performance fee	44,409	(1,373)
Management fee	(11,943,832)	(6,678,874)
Administrative fee	(610,031)	(216,748)
Professional fees and other	(582,276)	(356,909)
Net investment loss allocated from Master Funds	(8,663,483)	(6,398,057)
Investment income		
Interest	14,699	-
Total investment income	14,699	-
Company expenses		
Professional fees and other	(1,515,492)	(1,629,446)
Administrative fee (Note 10)	(137,417)	(60,000)
Management fee (Note 9)	(105,687)	(66,234)
Total Company expenses	(1,758,596)	(1,755,680)
Net investment loss	(10,407,380)	(8,153,737)
Net realised (loss) / gain and net change in unrealised (loss) / gain on securities allocated from Master Funds (Note 5)		
Net realised (loss) / gain on securities	(95,399,760)	46,131,007
Net change in unrealised loss on securities	(276,560,998)	(172,074,933)
Net loss on securities allocated from Master Funds	(371,960,758)	(125,943,926)
Net decrease in net assets resulting from operations	(382,368,138)	(134,097,663)

See accompanying Notes to Audited Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS

(Expressed in United States Dollars)	Year ended 31 Dec. 2018	Year ended 31 Dec. 2017
	$	$
Operations		
Net investment loss	(10,407,380)	(8,153,737)
Net realised (loss) / gain on securities allocated from Master Funds	(95,399,760)	46,131,007
Net change in unrealised loss on securities allocated from Master Funds	(276,560,998)	(172,074,933)
Net decrease in net assets resulting from operations	(382,368,138)	(134,097,663)
Capital share transactions		
Repurchase of Class C Shares (Note 7)	(984,900)	-
Dividend paid (Note 7)	(21,447,654)	(25,557,987)
Issuance of Ordinary Shares	-	45,265,957
Issuance of C Shares	-	546,367,863
Offering costs Ordinary Shares	-	(688,389)
Offering costs Class C Shares	-	(10,927,358)
Premium on issuance of shares	-	626,666
Net (decrease) / increase in net assets resulting from capital share transactions	(22,432,554)	555,086,752
Net (decrease) / increase in net assets	(404,800,692)	420,989,089
Net assets, at 1 January	884,606,214	463,617,125
Net assets, at 31 December	479,805,522	884,606,214

See accompanying Notes to Audited Financial Statements

STATEMENTS OF CASH FLOWS

(Expressed in United States Dollars)	Year ended 31 Dec. 2018	Year ended 31 Dec. 2017
	$	$
Cash flows from operating activities		
Net decrease in net assets resulting from operations	(382,368,138)	(134,097,663)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided /(used in) operating activities:		
Net investment loss, net realised (loss) / gain and net change in unrealised (loss) / gain on securities allocated from Master Funds	380,624,241	132,341,983
Purchase of investment in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund*	(557,003,000)	(54,440,000)
Sale of investment in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund*	102,410,387	37,521,898
Changes in operating assets and liabilities:		
Advance subscription in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund	515,000,000	(515,000,000)
Due from related parties	(54,653,242)	(100,000)
Other assets	31,618	(20,361)
Accrued expenses and other liabilities	(400,573)	143,145
Net cash provided by / (used in) operating activities	3,641,293	(533,650,998)
Cash flows from financing activities		
Repurchase of Class C Shares	(984,900)	-
Dividend paid	(21,447,654)	(25,557,987)
Issuance of Ordinary Shares	-	45,265,957
Issuance of Class C Shares	-	546,367,863
Offering costs Ordinary Shares	-	(688,389)
Offering costs Class C Shares	-	(10,789,256)
Premium on issuance of Ordinary Shares	-	626,666
Net cash (used in) /provided by financing activities	(22,432,554)	555,224,854
Net (decrease) / increase in cash and cash equivalents	(18,791,261)	21,573,856
Cash and cash equivalents, at 1 January	22,393,414	819,558
Cash and cash equivalents, at 31 December	3,602,153	22,393,414

* Non - cash transactions relating to purchases and sales of investment in Markel CATCo Diversified Fund amounted to $202,514,410 and $202,514,410, respectively.

See accompanying Notes to Audited Financial Statements

NOTES TO THE AUDITED FINANCIAL STATEMENTS 31 DECEMBER 2018

(Expressed in United States Dollars)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CATCo Reinsurance Opportunities Fund Ltd. (the "Company") is a closed-ended mutual fund company, registered and incorporated as an exempted mutual fund company under the laws of Bermuda on 30 November 2010, which commenced operations on 20 December 2010. The Company is organised as a feeder fund to invest substantially all of its assets in Markel CATCo Diversified Fund (the "Master Fund"). The Master Fund is a segregated account of Markel CATCo Reinsurance Fund Ltd., a mutual fund company incorporated in Bermuda and registered as a segregated account company under the Segregated Accounts Company Act 2000, as amended (the "SAC Act"). Markel CATCo Reinsurance Fund Ltd. establishes a separate account for each class of shares comprised in each segregated account (each, a "SAC Fund"). Each SAC Fund is a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective and policies. The assets attributable to each SAC Fund of Markel CATCo Reinsurance Fund Ltd. shall only be available to creditors in respect of that segregated account.

Pursuant to an investment management agreement, the Company is managed by Markel CATCo Investment Management Ltd. (the "Investment Manager"), a Bermuda based limited liability company that is subject to the ultimate supervision of the Company's Board of Directors (the "Board"). The Investment Manager is responsible for all of the Company's investment decisions. The Investment Manager commenced operations on 8 December 2015 and entered into a Run-Off Services Agreement with CATCo Investment Management Limited ("CIML"), under which the Investment Manager will provide services relating to the management of the run-off business of CIML.

The objective of the Master Fund is to provide shareholders the opportunity to participate in the investment returns of various fully-collateralised reinsurance-based instruments, securities (such as notes, swaps and other derivatives), and other financial instruments. The majority of the Master Fund's exposure to reinsurance risk is obtained through its investment (via preference shares) in Markel CATCo Re Ltd. (the "Reinsurer"). The Company also maintains an investment in CATCo Diversified Fund, the former Master Fund, (together with the Master Fund collectively referred to as "the Master Funds"), which is exposed to reinsurance risk through its preference shares investment in CATCo-Re Ltd. At 31 December 2018, the Company's ownership is 17.44 per cent of the Master Fund and 13.93 per cent of CATCo Diversified Fund.

The Reinsurer and CATCo-Re Ltd., (together the "Reinsurers") are Bermuda licensed Class 3 reinsurance companies, registered as segregated accounts companies under the SAC Act, through which the Master Funds access the majority of their reinsurance risk exposure. The Reinsurers will form a segregated account that corresponds solely to the Master Funds' investment in the Reinsurers with respect to each particular reinsurance agreement. The Reinsurers focus primarily on property catastrophe insurance and may be exposed to losses arising from hurricanes, earthquakes, typhoons, hailstorms, winter storms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, wildfires, explosions, marine accidents, terrorism, satellite, energy and other perils.

The Company's Ordinary Shares and C Shares are listed and traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange. The Company's Ordinary and C Share are also listed on the Bermuda Stock Exchange.

Basis of Presentation

The audited Financial Statements are expressed in United States dollars and have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company is an investment company and follows the accounting and reporting guidance contained within Topic 946, "Financial Services Investment Companies", of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments, such as money market funds, that are readily convertible to known amounts of cash and have original maturities of six months or less.

Valuation of Investments in Master Funds

The Company records its investments in the Master Funds at fair value based upon an estimate made by the Investment Manager, in good faith and in consultation or coordination with Centaur Fund Services (Bermuda) Limited (the "Administrator"), as defined in Note 10, where practicable, using what the Investment Manager believes in its discretion are appropriate techniques consistent with market practices for the relevant type of investment. Fair value in this context depends on the facts and circumstances of the particular investment, including but not limited to prevailing market and other relevant conditions, and refers to the amount for which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value is not the amount that an entity would receive or pay in a forced transaction or involuntary liquidation.

Fair Value - Definition and Hierarchy (Master Funds)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Investment Manager uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Investment Manager. Unobservable inputs reflect the assumptions of the Investment Manager in conjunction with both Board of Directors of each of the respective Master Funds (the "Board of the Master Funds") about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Master Funds have the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Investment Manager in determining fair value is greatest for investments categorised in Level 3 of the fair value hierarchy. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Master Funds' own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Master Funds use prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Fair Value - Valuation Techniques and Inputs

<u>Investments in Securities (Master Funds)</u>

i. The value of preference shares issued by the Reinsurers and subscribed for by the Master Funds and held with respect to a reinsurance agreement will equal:

ii. the amount of capital invested in such preference shares; plus

iii. the amount of net earned premium (as described below) that has been earned period-to-date for such contract; plus

iv. the amount of the investment earnings earned to date on both the capital invested in such preference shares and the associated reinsurance premiums in respect of such contract; minus

v. the amount of any loss estimates associated with potential claims triggering covered events (see "Covered Event Estimates" below); minus

vi. the amount of any risk margin considered necessary to reflect uncertainty and to compensate a market participant for bearing the uncertainty of cash flows in an exit of the reinsurance transaction.

1. Nature of Operations and Summary of Significant Accounting Policies Cont'd

Reinsurance Protections

Included within the Master Fund's investment in the Reinsurer are certain preference shares issued by the Reinsurer and subscribed for by the Master Fund in relation to reinsurance purchased specifically to meet the desired level of risk as set out in the Company's investment strategy ("Reinsurance Protections"). The underlying premiums are amortised over the duration of the contracts.

Derivative Financial Instruments

The Master Funds invest in derivative financial instruments such as industry loss warranties ("ILWs"), which are recorded at fair value as at the reporting date. Realised and unrealised gains or losses in fair values are included in net gain on securities in the Statements of Operations in the year in which the changes occur.

The fair value of derivative financial instruments at the reporting date generally reflects the amount that the Master Funds would receive or pay to terminate the contract at the reporting date. These derivative financial instruments used by the Master Funds are fair valued similar to preference shares held with respect to reinsurance agreements, unless otherwise unavailable, except that following a Covered Event (as defined below), loss information from the index provider on the trade will be used.

Investments in Securities held by the Reinsurers

Earned Premiums

Premiums are considered earned with respect to computing the Master Funds' net asset value in direct proportion to the per centage of the risk that is deemed to have expired year-to-date. Generally, all premiums, net of acquisition costs, are earned uniformly over each month of the risk period. However, for certain risks, there is a clearly demonstrable seasonality associated with these risks. Accordingly, seasonality factors are utilised for the recognition of certain instruments, including preference shares relating to reinsurance agreements, ILWs and risk transfer derivative agreements, where applicable. Prior to the investment in any seasonal contract, the Investment Manager is required to produce a schedule of seasonality factors, which will govern the income recognition and related fair value price for such seasonal contract in the absence of a covered event. The Investment Manager may rely on catastrophe modeling software, historical catastrophe loss information or other information sources it deems reliable to produce the seasonality factors for each seasonal contract.

Covered Event Estimates

The Investment Manager provides monthly loss estimates of all incurred loss events ("Covered Events") potentially affecting investments relating to a retrocessional reinsurance agreement of the Reinsurers to the Administrator for review. As the Reinsurers' reinsurance agreements are fully collateralised, any loss estimates above the contractual thresholds as contained in the reinsurance agreements will require capital to be held in a continuing reinsurance trust account with respect to the maximum contract exposure with respect to the applicable Covered Event.

"Fair Value" Pricing used by the Master Funds

Any investment that cannot be reliably valued using the principles set forth above (a "Fair Value Instrument") is marked at its fair value, based upon an estimate made by the Investment Manager, in good faith and in consultation or coordination with the Administrator, as defined in Note 10, where practicable, using what the Investment Manager believes in its discretion are appropriate techniques consistent with market practices for the relevant type of investment. Fair valuation in this context depends on the facts and circumstances of the particular investment, including but not limited to prevailing market and other relevant conditions, and refers to the amount for which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value is not the amount that an entity would receive or pay in a forced transaction or involuntary liquidation.

The process used to estimate a fair value for an investment may include a single technique or, where appropriate, multiple valuation techniques, and may include (without limitation and in the discretion of the Investment Manager, or in the discretion of the Administrator subject to review by the Investment Manager where practicable) the consideration of one or more of the following factors (to the extent relevant): the cost of the investment to the Master Funds, a review of comparable sales (if any), a discounted cash flow analysis, an analysis of cash flow multiples, a review of third-party appraisals, other material developments in the investment (even if subsequent to the valuation date), and other factors.

For each Fair Value Instrument, the Investment Manager and/or the Administrator, may as practicable, endeavor to obtain quotes from broker-dealers that are market makers in the related asset class, counterparties, the Master Funds' prime brokers or lending agents and/or pricing services. The Investment Manager, may, but will not be required to, input pricing information into models (including models that are developed by the Investment Manager or by third parties) to determine whether the quotations accurately reflect fair value.

In addition, the Investment Manager, may in its discretion, consult with the members of the investment team to determine the appropriate valuation of an instrument or additional valuation techniques that may be helpful to such valuation.

1. Nature of Operations and Summary of Significant Accounting Policies Cont'd

From time to time, the Investment Manager may change its fair valuation technique as applied to any investment if the change would result in an estimate that the Investment Manager in good faith believes is more representative of fair value under the circumstances.

The determination of fair value is inherently subjective in nature, and the Investment Manager has a conflict of interest in determining fair value in light of the fact that the valuation determination may affect the amount of the Investment Manager's management and performance fee.

At any given time, a substantial portion of the Master Funds' portfolio positions may be valued by the Investment Manager using the fair value pricing policies. Prices assigned to portfolio positions by the Administrator or the Investment Manager may not necessarily conform to the prices assigned to the same financial instruments if held by other accounts or by affiliates of the Investment Manager.

Side Pocket Investments
The Board of the Master Fund, in consultation with the Investment Manager, may classify certain Insurance-Linked Instruments as Side Pocket Investments in which only investors who are shareholders at the time of such classification can participate ("Side Pocket Investments"). This typically will happen if a Covered Event has recently occurred or seems likely to occur under an Insurance-Linked Instrument, because determining the fair value of losses once a Covered Event has occurred under an Insurance-Linked Instrument is often both a highly uncertain and a protracted process. When a Side Pocket Investment is established, the Master Fund converts a corresponding portion of each investor's Ordinary Shares into Side Pocket Shares (Note 7).

Financial Instruments
The fair values of the Company's assets and liabilities, which qualify as financial instruments under ASC 825, "Financial Instruments", approximate the carrying amounts presented in the Statements of Assets and Liabilities.

Investment Transactions and Related Investment Income and Expenses
The Company records its proportionate share of the Master Funds' income, expenses, realised and unrealised gains and losses on investment in securities on a monthly basis. In addition, the Company incurs and accrues its own income and expenses.

Investment transactions of the Master Funds are accounted for on a trade-date basis. Realised gains or losses on the sale of investments are calculated using the specific identification method of accounting. Interest income and expense are recognised on the accrual basis.

Translation of Foreign Currency
Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the period-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the Statements of Operations.

The Company does not isolate the portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net gain on securities in the Statements of Operations.

Income Taxes
Under the laws of Bermuda, the Company is generally not subject to income taxes. The Company has received an undertaking from the Minister of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act 1966 that in the event that there is enacted in Bermuda any legislation imposing income or capital gains tax, such tax shall not until 31 March 2035 be applicable to the Company. However, certain United States dividend income and interest income may be subject to a 30% withholding tax. Further, certain United States dividend income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit recognised is measured as the largest amount of benefit that has a greater than fifty per cent likelihood of being realised upon ultimate settlement with the relevant taxing authority. De-recognition of a tax benefit previously recognised results in the Company recording a tax liability that reduces ending net assets. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognised tax benefits as of 31 December 2018. However, the Company's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Company recognises interest and penalties related to unrecognised tax benefits in interest expense and other expenses, respectively. No tax-related interest expense or penalties have been recognised as of and for the years ended 31 December 2018 and 2017.

Generally, the Company may be subjected to income tax examinations by relevant major taxing authorities for all tax years since its inception.

The Company may be subject to potential examination by United States federal or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with United States federal or foreign tax laws. The Company was not subjected to any tax examinations during the years ended 31 December 2018 and 2017.

Use of Estimates

The preparation of Financial Statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements. Actual results could differ from those estimates.

Offering Costs

The costs associated with each capital raise are expensed against paid-in capital and the Company's existing cash reserves as incurred.

Premium and Discount on Share Issuance

Issuance of shares at a price in excess of the NAV per share at the transaction date results in a premium and is recorded as paid-in capital. Discounts on share issuance are treated as a deduction from paid-in capital.

Other Matters

Markel CATCo Governmental Inquiries

On 6 December 2018, Markel Corporation reported that the U.S. Department of Justice, U.S. Securities and Exchange Commission and Bermuda Monetary Authority (collectively, the "Governmental Authorities") are conducting inquiries (the "Markel CATCo Inquiries") into loss reserves recorded in late 2017 and early 2018 at the Investment Manager and its subsidiaries (collectively, "Markel CATCo"). These inquiries are limited to Markel CATCo and do not involve Markel Corporation or its other subsidiaries.

Markel Corporation previously disclosed it had retained outside counsel to conduct an internal review of Markel CATCo's loss reserving in late 2017 and early 2018. The internal review has recently been completed. The internal review conducted by outside counsel found no evidence that Markel CATCo personnel acted in bad faith in exercising business judgment in the setting of reserves and making related disclosures during late 2017 and early 2018. Markel Corporation's outside counsel has met with the Governmental Authorities and reported the findings from the internal review. The Markel CATCo Inquiries are ongoing and Markel Corporation and the Investment Manager continue to fully co-operate with them. Markel Corporation cannot currently predict the duration, scope or result of the Markel CATCo Inquiries.

Revised class action litigation:

David Bergen v. Markel Corporation et al. (U.S. District Court for the Southern District of New York)

Between January 11, 2019 and 7 March 2019, several related putative class actions were filed against the Company and certain present or former officers and directors alleging violations of the federal securities laws relating to the matters that are the subject of the Markel CATCo Inquiries. Plaintiffs seek to represent a class of persons or entities that purchased Markel securities between 26 July 2017 and 6 December 2018. The actions have been consolidated. Markel Corporation believes that the claims are without merit.

Revised employment litigation:

Anthony Belisle v. Markel CATCo Investment Management Ltd and Markel Corp. (U.S. District Court for the District of New Hampshire)

On 21 February 2019, Anthony Belisle filed a lawsuit against Markel CATCo and Markel, which suit was amended on 29 March 2019. As amended, the complaint alleges claims for, among other things, breach of contract, defamation, invasion of privacy, indemnification, intentional interference with contractual relations and deceptive and unfair acts. It seeks relief of, among other things, $66.0 million in incentive compensation, consequential damages, damages for emotional distress and injury to reputation, exemplary damages and attorneys' fees. Markel Corporation believes that the claims are without merit.

Alissa Fredricks v. Markel CATCo Investment Management Ltd. and Markel Corp. (U.S. District Court for the District of Massachusetts)

On 21 February 2019, Alissa Fredricks filed a lawsuit against Markel CATCo and Markel, which suit was amended on 28 March 2019. As amended, the complaint alleges claims for, among other things, breach of contract, defamation, invasion of privacy, indemnification, intentional interference with contractual relations and deceptive and unfair acts. It seeks relief of, among other things, $7.5 million in incentive compensation, consequential damages, damages for emotional distress and injury to reputation, exemplary damages and attorneys' fees. Markel Corporation believes that the claims are without merit.

2. SCHEDULE OF THE COMPANY'S SHARE OF THE INVESTMENTS HELD IN THE MASTER FUNDS AND FAIR VALUE MEASUREMENTS

The following table reflects the Company's proportionate share of the fair value of investments in the Reinsurers held by the Master Funds at 31 December 2018.

Preference Shares - Investments in Markel CATCo Re Ltd.	$ Fair Value	Preference Shares - Investments in Markel CATCo Re Ltd.	$ Fair Value
Class A	103,768	Class DJ	7,705,404
Class D	2,417,341	Class DK	3,691,777
Class I	586,783	Class DL	1,856,695
Class J	614,610	Class DM	5,436,780
Class L	925,507	Class DN	4,831,869
Class P	843,528	Class DO	24,677,403
Class Q	762,055	Class DP	5,940,954
Class R	864,852	Class DQ	2,036,839
Class S	2,397,414	Class DR	23,593,635
Class U	733,302	Class DS	4,190,163
Class V	43,120	Class DT	8,886,588
Class Y	633,997	Class DU	4,494,015
Class Z	1,440,478	Class DV	2,675,629
Class BB	1,048,149	Class DW	1,284,023
Class BE	2,401,646	Class DX	2,675,901
Class BQ	2,855,235	Class DY	138,796
Class BR	1,425,595	Class DZ	7,611,953
Class BS	163,836	Class EA	21,442,081
Class BX	266,348	Class EB	5,344,165
Class BY	7,200,356	Class EC	14,226,214
Class BZ	850,535	Class ED	2,500,323
Class CA	1,748,880	Class EE	7,109,271
Class CB	2,320,691	Class EF	3,567,759
Class CC	9,803,693	Class EG	3,526,088
Class CD	1,500,498	Class EH	2,236,837
Class CE	4,244,438	Class EI	2,318,862
Class CF	384,024	Class EJ	1,719,057
Class CI	1,630,315	Class EK	28,168
Class CJ	1,481,397	Class EL	55,872
Class CK	893,299	Class EM	2,353,816
Class CL	2,447,415	Class EN	336,469
Class CM	1,250,837	Class EO	4,133,355
Class CO	2,561,206*	Class EP	1,372,110
Class CQ	6,291,832	Class EQ	1,927,042
Class CS	1,647,043	Class ER	2,509,874
Class CT	608,332	Class ES	3,346,013
Class CV	4,806,287	Class ET	1,418,330
Class CW	258,495	Class EU	14,028,813
Class CX	2,727,788	Class EV	5,008,632
Class DB	5,513,162	Class EW	4,420,241
Class DC	4,771,705	Class EX	5,256,395
Class DD	1,733,317	Class EY	945,602
Class DE	17,049,896	Class EZ	1,469
Class DF	1,095,183	Class BBM	4,811
Class DG	334,205	Class BBN	1,503
Class DH	3,652,951	Expense Cell	19,584
Class DI	2,435,301		
Total Investments in Markel CATCo Re Ltd.			**$ 334,657,825**
Preference Shares - Investments in CATCo-Re Ltd.			**$ Fair Value**
Class DV			256,688
Total Investments in CATCo-Re Ltd.			**$ 256,688**
Total Investments in Preference Shares			**$ 334,914,513**

*Fair value of Class CO includes rated paper of $1,198,600 which was released on January 1, 2019.

2. Schedule of the Company's Share of the Investments Held in the Master Funds and Fair Value Measurements Cont'd

The following table reflects the Company's proportionate share of the fair value of investments in the Reinsurers held by the Master Funds at 31 December 2017.

Preference Shares - Investments in Markel CATCo Re Ltd.	**$**	**Fair Value**	**Preference Shares - Investments in Markel CATCo Re Ltd.**	**$**	**Fair Value**
Class A		1,155,227	Class BY		13,163,527
Class B		4,079,104	Class BZ		19,117,771
Class D		4,538,516	Class CA		4,815,954
Class E		1,848,506	Class CB		26,741,990
Class F		4,602,089	Class CC		22,580,368
Class H		103,750	Class CD		3,945,663
Class I		952,936	Class CE		7,423,112
Class J		611,923	Class CF		4,045,010
Class K		919,730	Class CG		854,363
Class L		921,522	Class CH		18,918,754
Class M		1,379,548	Class CI		3,538,019
Class N		901,043	Class CJ		5,997,536
Class O		1,533,743	Class CK		3,879,779
Class P		5,406,226	Class CL		4,086,112
Class Q		766,078	Class CM		3,818,574
Class R		327,599	Class CN		2,933,690
Class S		8,474,513	Class CO		10,483,680
Class U		979,442	Class CP		6,472,549
Class V		192,343	Class CQ		6,843,757
Class Y		637,123	Class CR		3,208,291
Class Z		2,407,285	Class CS		5,456,695
Class BA		814,211	Class CT		5,681,549
Class BB		1,007,976	Class CU		1,603,055
Class BC		831,679	Class CV		7,063,007
Class BE		600,399	Class CW		2,709,492
Class BM		1,171,335	Class CX		24,662,043
Class BN		2,348,975	Class CY		2,669
Class BO		2,355,958	Class CZ		2,669
Class BQ		2,597,739	Class AW		6,000,000
Class BR		1,265,990	Class AX		8,400,000
Class BS		85,616	Class AY		8,400,000
Class BW		2,345,213	Class AZ		8,400,000
Class BX		536,335	Expense Cell		92,291
Total Investments in Markel CATCo Re Ltd.				**$**	**310,041,637**
Preference Shares - Investments in CATCo-Re Ltd.	**$**	**Fair Value**	**Preference Shares - Investments in CATCo-Re Ltd.**	**$**	**Fair Value**
Class AE		1,462,096	Class DF		879,421
Class AF		893,636	Class DG		227,006
Class BJ		1,406,969	Class DL		968,287
Class BW		17,700	Class DM		146,587
Class DC		584,590	Class DN		1,158,063
Class DE		149,646	Class DV		417,182
Total Investments in CATCo-Re Ltd.				**$**	**8,311,183**
Investments in Markel CATCo Re Ltd. - Aquilo Re	**$**	**Fair Value**	**Investments in Markel CATCo Re Ltd. - Aquilo Re**	**$**	**Fair Value**
Class AQ002		27,660	Class AQ003		11,205
Total Investments in Markel CATCo Re Ltd. - Aquilo Re				**$**	**38,865**
Total Investments in Preference Shares				**$**	**318,391,685**

Included within the Company's investment in the Master Funds is cash and cash equivalents held in trust by the Master Funds representing the Company's proportionate share of derivative transactions entered into by the Master Funds amounting to approximately $177,105,183 as of 31 December 2018 (31 December 2017: $113,652,588).

The preference shares relating to Reinsurance Protections are valued at nil (31 December 2017: $31,200,000) representing the unamortised portion of premium paid and claims recoverable as at 31 December 2018.

As at 31 December 2018, 57.50 per cent of total investments held by the Master Funds are classified as Side Pocket Investments (31 December 2017: 66.16 per cent).

2. Schedule of the Company's Share of the Investments Held in the Master Funds and Fair Value Measurements Cont'd

In accordance with FASB ASC Sub-topic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient are not required to be classified within the fair value hierarchy. As the Company's investments as at 31 December 2018 comprised solely of investments in other investment companies, the Master Funds, which are valued using the net asset value per share (or its equivalent) practical expedient, no fair value hierarchy has been disclosed.

The Company considers all short-term investments with daily liquidity as cash equivalents and are classified as Level 1 within the fair value hierarchy. No cash equivalents were held as at 31 December 2018 (31 December 2017: nil).

The table below summarises information about the significant unobservable inputs used in determining the fair value of the Master Funds' Level 3 assets:

Type of Investment	Valuation Technique	Unobservable Input	Range
Preference Shares	Premium earned	Premiums earned - straight line for uniform perils	12 months
		Premiums earned - seasonality adjusted for non-uniform perils	5 to 6 months
	Loss reserves	Loss reserves*	0 to contractual limit
	Risk margin	Risk margin	0% to 15%

* Based on proprietary models and historical loss analysis data as well as assessments from counter-parties.

As described in Note 6, significant increases or decreases in loss reserves of the Reinsurers would result in a significantly lower or higher fair value measurement.

3. CONCENTRATION OF CREDIT RISK

In the normal course of business, the Company maintains its cash balances (not assets supporting retrocessional reinsurance transactions) in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. At 31 December 2018 and 2017, cash and cash equivalents are held with HSBC Bank Bermuda Ltd. which has a credit rating of A-/A-2 as issued by Standard & Poor's.

4. CONCENTRATION OF REINSURANCE RISK

The following table illustrates the diversified risk profile of the Reinsurer's portfolio by geography and peril as at 31 December 2018 and 2017. Reinsurance Protections purchased specifically to meet the desired level of risk as set out in the Company's investment strategy have not been considered.

	Geographic Distribution	2018	2017
1	North America/Caribbean	43%	44%
2	All Other	22%	17%
3	Europe	9%	10%
4	Global Backup Protection	5%	6%
5	Japan	6%	6%
6	Worldwide Marine/Energy/Terrorism/Aviation/Satellite	6%	6%
7	Mexico/Central America/South America	4%	5%
8	Australia/New Zealand	3%	4%
9	Asia Excluding Japan	2%	2%

	Exposure by Risk Peril	2018	2017
1	Wind	31%	38%
2	Earthquake	15%	18%
3	Backup Protection	10%	14%
4	All Natural Perils	24%	10%
5	Marine/Energy/Aviation/Satellite	5%	4%
6	Winterstorm/Wildfire	5%	4%
7	Severe Convective Storm	5%	4%
8	Other	2%	4%
9	Terrorism	1%	2%
10	Flood	2%	2%

5. INVESTMENTS IN MASTER FUNDS, AT FAIR VALUE

The following tables summarises the Company's Investments in the Master Funds:

	31 Dec. 2018	31 Dec. 2017
Investment in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund, at fair value	$ 421,184,607	$ 338,085,861
Investment in CATCo Reinsurance Fund Ltd. - CATCo Diversified Fund, at fair value	476,230	9,606,604
Investments in Master Funds, at fair value	$ 421,660,837	$ 347,692,465

The net investment loss allocated from the Master Funds, and the net realised loss and net change in unrealised loss on securities allocated from Master Funds in the Statements of Operations consisted of the combined results from the Company's Investments in the Master Funds as detailed below:

(Expressed in United States Dollars)	2018 Investment in Master Fund	2018 Investment in CATCo Diversified Fund	2018 Total	2017 Investment in Master Fund	2017 Investment in CATCo Diversified Fund	2017 Total
Net investment loss allocated from Master Funds						
Interest income	$ 4,379,432	$ -	$ 4,379,432	$ 855,847	$ -	$ 855,847
Miscellaneous income	48,815	-	48,815	-	-	-
Management fee	(11,875,542)	(68,290)	(11,943,832)	(6,516,021)	(162,853)	(6,678,874)
Performance fee[a]	-	44,409	44,409	(1,373)	-	(1,373)
Professional fees and other	(561,615)	(20,661)	(582,276)	(346,146)	(10,763)	(356,909)
Administrative fee	(598,197)	(11,834)	(610,031)	(200,983)	(15,765)	(216,748)
Net investment loss allocated from Master Funds	$ (8,607,107)	$ (56,376)	$ (8,663,483)	$ (6,208,676)	$ (189,381)	$ (6,398,057)
Net realised (loss) / gain on securities[b]	$ (97,171,593)	$ 1,771,833	$ (95,399,760)	$ 44,749,677	$ 1,381,330	$ 46,131,007
Net change in unrealised loss on securities[c]	(274,862,795)	(1,698,203)	(276,560,998)	(170,924,879)	(1,150,054)	(172,074,933)
Net (loss) / gain on securities allocated from Master Funds	$ (372,034,388)	$ 73,630	$ (371,960,758)	$ (126,175,202)	$ 231,276	$ (125,943,926)

a) Performance fee relates to SPI releases during 2018 following commutation of a legacy CATCo Re Ltd. deal resulting in a reversal of previously accrued performance fees.

b) Includes gross realised gain on securities of: 2018: $39,425,416 (2017: $59,362,678) and gross realised loss on securities of: 2018: $134,825,175 (2017: $13,231,671)

c) Includes gross change in unrealised gain on securities of: 2018: $205,021,413 (2017: $49,629,713) and gross change in unrealised loss on securities of 2018: $481,582,411 (2017: $221,704,646)

6. LOSS RESERVES

The following disclosures on loss reserves are included for information purposes and relate specifically to the Reinsurers and are reflected through the valuations of investments held by the Company.

The reserve for unpaid losses and loss expenses recorded by the Reinsurers includes estimates for losses incurred but not reported as well as losses pending settlement. The Reinsurers make a provision for losses on contracts only when an event that is covered by the contract has occurred. When a potential loss event has occurred, the Reinsurers use proprietary models and historical loss analysis data as well as assessments from counter-parties to estimate the level of reserves required. The process of estimating loss reserves is a complex exercise, involving many variables and a reliance on actuarial modeled catastrophe loss analysis. However, there is no precise method for evaluating the adequacy of loss reserves when industry loss estimates are not final, and actual results could differ from original estimates.

6. Loss Reserves Cont'd

In addition, the Reinsurers' reserves include an implicit risk margin to reflect uncertainty surrounding cash flows relating to loss reserves. The risk margin is set by the actuarial team of Markel CATCo Investment Management Ltd.

Future adjustments to the amounts recorded as of year-end, resulting from the continual review process, as well as differences between estimates and ultimate settlements, will be reflected in the Reinsurers' Statements of Operations in future periods when such adjustments become known. Future developments may result in losses and loss expenses materially greater or less than the reserve provided.

The Reinsurer's loss reserves for losses pertaining to Hurricane Michael, Typhoon Jebi and the 2018 California Wildfires represent the Insurance Manager's current best estimate of ultimate settlement values. The reserves are subject to inherent uncertainty due to industry loss estimates varying from final insured losses. The timing and the amount of losses reported to the Reinsurer is in the control of third parties, and has a direct effect on loss reserves, which may require re-estimation as new information becomes available over time.

The Insurance Manager believes that the total loss reserve established for the 2017 loss events is sufficient to provide for all unpaid losses and loss expenses with respect to Hurricanes Harvey, Irma and Maria ("HIM") and the California Wildfires, based on the information currently available. Inherent uncertainty with regard to the final insured loss impact of the 2017 loss events continues. Therefore, actual results may materially differ if actual reinsured client losses differ from the established loss reserves. The significant uncertainty underlying the industry loss estimates could result in the need to further adjust loss reserves, either in the event that reserves are found to be insufficient or, conversely, if loss reserves are found to be too conservative.

As part of the ongoing reserving process, the Insurance Manager reviews loss reserves on a monthly basis and will make adjustments, if necessary and such future adjustments in loss reserves could have further material impact either favourably or adversely on investor earnings.

As at 31 December 2018, 2018 Side Pocket Investments amounting to 21 per cent of the Ordinary Share NAV and 47 per cent of the C Share NAV were established. Furthermore, as at 31 December 2018, the 2016 Side Pocket Investments and 2017 Side Pocket Investments represent 11% and 42% of Ordinary Share NAV respectively. The Side Pocket Investments reflect 100 per cent of any potential liability that may exist with the Reinsurer's counterparties in excess of the loss reserves held by the Reinsurer. These Side Pocket Investments will be released should they no longer be required by the reinsurance counterparties.

During 2018, the Reinsurer paid claims of $1,457,255,573 (31 December 2017: $400,161,779) predominantly in relation to HIM and the 2017 California wildfire events. CATCo-Re Ltd. paid claims of $13,550,705 (31 December 2017: $1,889,027) predominantly in relation to U.S. Severe Convective Storm events.

7. CAPITAL SHARE TRANSACTIONS

As of 31 December 2018, the Company has authorised share capital of 1,500,000,000 (31 December 2017: 1,500,000,000) unclassified shares of US$0.0001 each and Class B Shares ("B Shares") of such nominal value as the Board may determine upon issue.

As of 31 December 2018, the Company has issued 391,666,430 (31 December 2017: 391,666,430) Class 1 Ordinary Shares (the "Ordinary Shares") and 545,367,863 (31 December 2017: 546,367,863) Class C Shares (the "C Shares").

Transactions in shares during the year, shares outstanding, the net asset value ("NAV") and NAV per share are as follows:

31 December 2018

	Beginning Shares	Adjustment following Share Capital Consolidation	Share Issuance	Share Repurchase	Ending Shares	Ending Net Assets	Ending NAV Per Share
Class 1 Ordinary Shares	391,666,430	–	–	–	391,666,430	$ 136,259,360	$ 0.3479
Class C Shares	546,367,863	–	–	(1,000,000)	545,367,863	$ 343,546,162	$ 0.6299
						$ 479,805,522	

31 December 2017

	Beginning Shares	Adjustment following Share Capital Consolidation	Share Issuance	Share Repurchase	Ending Shares	Ending Net Assets	Ending NAV Per Share
Class 1 Ordinary Shares	273,224,673	82,835,718	35,606,039	–	391,666,430	$ 349,165,708	$ 0.8915
Class C Shares	102,510,018	(102,510,018)	546,367,863	–	546,367,863	$ 535,440,506 *	$ 0.9800
						$ 884,606,214	

* Net issuance cost costs of $10,927,358

7. Capital Share Transactions Cont'd

The Company has been established as a closed-ended mutual fund and, as such, shareholders do not have the right to redeem their shares. The shares are held in trust by Link Market Services (the "Depository") in accordance with the Depository Agreement between the Company and the Depository. The Depository holds the shares and in turn issues depository interests in respect of the underlying shares.

The Board has the ability to issue one or more classes of C Share during any period when the Master Fund has designated one or more investments as Side Pocket Investments. This typically will happen if a covered or other pre-determined event has recently occurred or seems likely to occur under an Insurance-Linked Instrument. In such circumstances, only those shareholders on the date that the investment has been designated as a Side Pocket Investment will participate in the potential losses and premiums attributable to such Side Pocket Investment. Any shares issued when Side Pocket Investments exist will be as one or more classes of C Share that will participate in all of the Master Fund's portfolio other than in respect of potential losses and premiums attributable to any Side Pocket Investments in existence at the time of issue. If no Side Pocket Investments are in existence at the time of proposed issue, it is expected that the Company will issue further Ordinary Shares.

On 31 January 2018, the Board declared a final dividend of $0.05476 per share in respect of the Ordinary Shares. The record date for this dividend was 9 February 2018 and the ex-dividend date was 8 February 2018. The final dividend was paid to shareholders on 26 February 2018.

On 1 April 2018, the Board approved the termination of the CATCo Diversified Fund 2014 Side Pocket Investment. The related net asset value was released to investors.

On 21 September 2018, the Company completed a Share buyback of 1,000,000 C Shares for cancellation in the market at an average price of USD 0.9800 per share, resulting in a total amount paid including commission of $984,900.

8. INVESTMENT MANAGEMENT AGREEMENT

Pursuant to the Investment Management Agreement dated 8 December 2015, the Investment Manager is empowered to formulate the overall investment strategy to be carried out by the Company and to exercise full discretion in the management of the trading, investment transactions and related borrowing activities of the Company in order to implement such strategy. The Investment Manager earns a fee for such services (Note 9).

The Investment Manager also acts as the Master Fund's investment manager and the Reinsurer's insurance manager. CIML is the investment manager of CATCo Diversified Fund and also acts as CATCo-Re Ltd.'s insurance manager.

9. RELATED PARTY TRANSACTIONS

The Investment Manager is entitled to a management fee, calculated and payable monthly in arrears equal to 1/12 of 1.5 per cent of the net asset value, which is not attributable to the Company's investment in the Master Funds' shares as at the last calendar day of each calendar month. Management fees related to the investment in the Master Funds shares are charged in the Master Funds and allocated to the Company. Performance fees are charged in the Master Funds and allocated to the Company.

Markel Corporation ("Markel"), which holds the entire share capital of the Investment Manager, holds 5.16 per cent (31 December 2017: 5.16 per cent) of the voting rights of the Ordinary Shares and 0 per cent (31 December 2017: 0 per cent) of the voting rights of the C Shares issued in the Company as of 31 December 2018.

In addition, the Directors of are also shareholders of the Company. The Directors' holdings are immaterial, representing below 1 per cent of the Company NAV.

As at 31 December 2018, the Company was due a receivable of $2,297,959 from CATCo Diversified Fund 2015 Side Pocket Investment release and $52,455,283 from Markel CATCo Diversified Fund inclusive of 2016 and 2017 Side Pocket Investment releases and year end redemptions.

10. ADMINISTRATIVE FEE

Effective 19 January 2018, the Board of Directors approved the appointment of Centaur Fund Services (Bermuda) Limited as the Company's administrator. As a licensed fund administrator pursuant to the provisions of the Bermuda Investment Funds Act, the Administrator performs certain administrative services on behalf of the Company. The Administrator receives a fixed monthly fee.

The Company's agreement with former administrator, SS&C Fund Services (Bermuda) Ltd. officially expired on 30 April 2018. For the nine-month period ending 30 April 2018, the Company incurred administrative fees from SS&C Fund Services (Bermuda) Ltd. and the Administrator for parallel administrative services to ensure the smooth onboarding of the Company onto the Administrator's platform.

11. FINANCIAL HIGHLIGHTS

Financial highlights for the years ended 31 December 2018 and 2017 are as follows:

	2018		2017	
	Class 1 Ordinary Shares	Class C Shares	Class 1 Ordinary Shares	Class C Shares
Per share operating performance				
Net asset value, beginning of year	$ 0.8915	$ 0.9800	$ 1.3024	$ 1.0000
Income (loss) from investment operations:				
Net investment loss	-	0.0027	(0.0040)	-
Performance fee*	0.0001	-	(0.0004)	-
Management fee	(0.0100)	(0.0147)	(0.0177)	-
Net (loss) gain on investments	(0.4789)	(0.3381)	(0.3168)	-
Total from investment operations	$ (0.4888)	$ (0.3501)	$ (0.3389)	$ 0.0000
Dividend	(0.0548)	-	(0.0718)	-
Premium on issuance	-	-	0.0016	-
Offering cost	-	-	(0.0018)	(0.0200)
Net asset value, end of year	$ 0.3479	$ 0.6299	$ 0.8915	$ 0.9800
Total net asset value return				
Total net asset value return before performance fee	(54.84) %	(35.75) %	(26.00) %	- %
Performance fee*	0.01 %	- %	(0.03) %	- %
Total net asset value return after performance fee	(54.83) %^	(35.75) %	(26.03) %+	- %
Ratios to average net assets				
Expenses other than performance fee	(1.75) %	(1.34) %	(2.09) %	- %
Performance fee*	0.02 %	- %	0.08 %	- %
Total expenses after performance fee	(1.73) %	(1.34) %	(2.01) %	- %
Net investment loss	(1.11) %	(1.22) %	(1.70) %	- %

\+ Adjusting the opening capital to reflect the dividend declared on 26 January 2017, the normalised total return for 2017 is equivalent to -27.59 per cent

^ Adjusting the opening capital to reflect the dividend declared on 31 January 2018, the normalised total return for 2018 is equivalent to -58.43 per cent

* The performance fee is charged in the Master Funds and relates to crystalized performance fee on Side Pocket investments

The ratios to weighted average net assets are calculated for each class of shares taken as a whole. An individual shareholder's return and ratios to weighted average net assets may vary from these amounts based on the timing of capital transactions. Returns and ratios shown above are for the years ended 31 December 2018 and 2017. The per share amounts and ratios reflect income and expenses allocated from the Master Funds.

12. INDEMNITIES OR WARRANTIES

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, management believes that the likelihood of such an event is remote.

13. SUBSEQUENT EVENTS

On 18 January 2019, the Company announced that, with immediate effect, Tony Belisle, Chief Executive Officer, and Alissa Fredricks, Chief Executive Officer – Bermuda, were no longer employed by the Investment Manager. With effect from 18 January 2019, management and oversight of the Investment Manager is being provided by Jed Rhoads, President and Chief Underwriting Officer, Markel Global Reinsurance, and Andrew Barnard, Senior Managing Director, Head of International Property Catastrophe and Retro Reinsurance at Markel Global Reinsurance.

On 31 January 2019, the Board declared an annual dividend of $0.0265 per share in respect of the Ordinary Shares and $0.0445 per share in respect of C Shares. The record date for this dividend was 8 February 2019 and the ex-dividend date was 7 February 2019. The annual dividend was paid to shareholders on 25 February 2019.

13.. Subsequent Events Cont'd

On 11 March 2019, the Board announced its decision to consent to a waiver of 33.3334 per cent (one-third) of the management fee paid to the Investment Manager in respect of side pocket investments. The reduction resulting from the waiver will have effect from 1 January 2019 until 31 December 2019, but is subject to extension by the Investment Manager and the Master Fund.

On 26 March 2019, the shareholders of the Company voted to amend the Company's investment policy in respect of the Ordinary Shares and C Shares with immediate effect, whereby the Company's investment policy in respect of Ordinary Shares and C Shares will be limited to realising the existing investments attributable to the Ordinary Shares and C shares in an orderly manner, and distributing the net proceeds to the Ordinary and C Shareholders. In addition to the aforementioned, the shareholders of the Company also voted to effect the implementation of the run-off in respect of the Ordinary Shares and C Shares but the Company will continue to operate as a going concern.

These Financial Statements were approved by the Board and available for issuance on 18 April 2019. Subsequent events have been evaluated through this date.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of CATCo Reinsurance Opportunities Fund Ltd. (the "Company") will be held at 9.30 a.m. (local time) on 23 May 2019 at the offices of Markel CATCo Investment Management Ltd., 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda for the transaction of the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

1. To receive the Directors' Report and audited financial statements for the year ended 31 December 2018 together with the auditor's report thereon.
2. To approve the Directors' remuneration report for the year ended 31 December 2018.
3. To re-elect Mr James Keyes as a Director of the Company.
4. To re-elect Ms Margaret Gadow as a Director of the Company.
5. To re-elect Mr Alastair Barbour as a Director of the Company.
6. To re-appoint KPMG Audit Limited as auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next annual general meeting at which accounts are laid before the Shareholders.
7. To authorise the Directors of the Company to determine the remuneration of the auditor.

By order of the Board of Directors

James Keyes
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

18 April 2019

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. A Shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.

2. Holders of Ordinary Shares and/or C Shares are entitled to attend and vote at the Annual General Meeting or any adjournment thereof. As at 18 April 2019 (being the last practicable day prior to the publication of this Notice), the Company's issued share capital consists of 391,666,430 Ordinary Shares and 545,367,863 C Shares. Accordingly, the total number of voting rights in the Company is 937,034,293.

3. The attendance at the Annual General Meeting of members and their proxies and representatives is understood by the Company to confirm their agreement to receive any communications made at the meeting.

4. Copies of all contracts of service and letters of appointment of Directors of the Company are available for inspection during normal business hours at the Company's registered office on any weekday except Saturdays, Sundays and public holidays, and at the place of the Annual General Meeting for a period of fifteen minutes prior to the Annual General Meeting and during the meeting.

5. Shareholders are advised that unless otherwise provided, the telephone numbers and website addresses which may be set out in this Notice or the Form of Proxy/Letter of Direction are not to be used for the purpose of serving information or documents on the Company including the service of information or documents relating to proceedings at the Company's Annual General Meeting.

FOR INVESTORS WHO DO NOT HOLD DEPOSITORY INTERESTS THROUGH CREST

6. A Form of Proxy is enclosed for use at the Annual General Meeting. The Form of Proxy should be completed and sent together with (if not previously registered with the Company) the power of attorney or other authority (if any) under which it is executed, to Link Asset Services, PXS1, 34 Beckenham Road., Beckenham, Kent BR3 4ZF so as to be received as soon as possible and, in any event, by not later than 1:30 p.m. (UK time) on 21 May 2019. Completing and returning a Form of Proxy will not prevent a Shareholder from attending and voting in person at the meeting should he or she so wish.

7. To have the right to attend and vote at the Annual General Meeting (and also for the purpose of calculating how many votes the Shareholder may cast on a poll), a Shareholder must first have his or her name entered in the Company's register of members by close of business (UK time) on 21 May 2019 or, if the Annual General Meeting is adjourned, Shareholders registered in the register of members at close of business (Bermuda time) on the day two business days prior to the adjourned meeting. Changes to entries in that register after that time shall be disregarded in determining the rights of any Shareholder to attend and vote at the Annual General Meeting.

FOR INVESTORS WHO HOLD DEPOSITORY INTERESTS THROUGH CREST.

8. A Form of Direction is enclosed for use at the Annual General Meeting. The Form of Direction should be completed and sent together with (if not previously registered with the Company) the power of attorney or other authority (if any) under which it is executed, to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF so as to be received as soon as possible and, in any event, by not later than 1.30p.m. (UK time) on 20 May 2019.

9. Depository Interest Holders wishing to attend the Annual General Meeting should contact the Depository at Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham. Kent, BR3 4TU or by emailing: CAGtrustees@linkgroup.co.uk no later than 1.30 p.m. (UK time) on 20 May 2019.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link Asset Services (ID: RA10) by 1:30 p.m. (UK time) on 20 May 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

ALTERNATIVE PERFORMANCE MEASURES GLOSSARY

Below are definitions of the key technical terms and alternative performance measures (APMs) used within the Annual Report 2018. APMs are complementary to measures defined within U.S. Generally Accepted Accounting Principles (U.S. GAAP) and are used by management to explain the Company’s performance and financial position. They include measures management and the Board consider to be more representative of its underlying investment performance and that provide more meaningful comparisons between periods.

Term	Description
Annual Net Return	The net profit/(loss) attributable to Ordinary or C Shareholders achieved from underlying investments in securities held, less Company expenses (excluding establishment costs), management fees, and performances fees.
Exposure	A measurement of risk the Company is exposed to through the premiums written by the Reinsurer.
Investor Capital	The net asset value of Ordinary Shares and Class C Shares as at 1 January 2018, plus the investment capital raised mid-year 2018.
Net Asset Value (NAV)	The total investor capital plus/(minus) the net gain/(loss) on underlying investments in securities, less the Company expenses resulting from the year of operation.
Net Asset Value (NAV) per Share	The closing net asset value divided by the number of shares in issue at the end of the financial year.

KEY DATES 2019

JANUARY

Deployment of Annual Retrocessional Reinsurance Contracts

APRIL

Annual Results Announced
Annual Report Issued

MAY

Annual General Meeting

JUNE

Half-Year End

AUGUST

Interim Results Announced
Interim Report Issued

DECEMBER

Year End

INVESTOR ENQUIRIES

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LIST OF PARTIES

DIRECTORS

James Keyes
(Chairman)
Alastair Barbour
(Audit Committee Chairman)
Margaret Gadow
(Management Engagement Committee Chairman)

REGISTERED OFFICE

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INVESTMENT MANAGER

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Authorised and regulated by the Bermuda Monetary Authority

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ADMINISTRATOR

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CATCo Reinsurance Opportunities Fund Ltd. Is a member of the AIC (the trade body of the investment company industry)

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