Annual Report 2016

CATCo
Reinsurance Opportunities Fund Ltd.

FUND OVERVIEW

Launch Date	20 December 2010
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
Calendar Year	31 December
Target Distribution	LIBOR + 5% of NAV
Target Annual Gross Return	LIBOR + 12% to 15%
Management Fee	1.5% p.a.
Performance Fee	10.0% p.a.
Performance Trigger	LIBOR + 7.5%
High Water Mark	Yes
Continuation Vote	Every 5 Years
Directors	Nigel Barton (Chairman) Margaret Gadow Alastair Barbour James Keyes
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.

CATCo REINSURANCE OPPORTUNITIES FUND LTD.

ANNUAL REPORT 2016

FOR THE 12 MONTH PERIOD FROM 1 JANUARY TO 31 DECEMBER 2016

CORPORATE SUMMARY

- SPECIALISED 'PURE PLAY' IN RETROCESSIONAL REINSURANCE
- EFFICIENT CAPITAL MANAGEMENT AND ANNUAL DIVIDEND
- DISCOUNT MANAGEMENT
- INDEPENDENT BOARD OF DIRECTORS
- FOCUSED PORTFOLIO
- OUTPERFORMANCE INCENTIVISED
- MANAGED BY MARKEL CATCO INVESTMENT MANAGEMENT LTD.

EFFICIENT CAPITAL MANAGEMENT AND ANNUAL DIVIDEND

CATCo Reinsurance Opportunities Fund Ltd. aims to achieve efficient capital management and income through a balanced portfolio of global catastrophic reinsurance risk protections. The Company intends to pay an annual dividend of LIBOR plus 5 percent of Net Asset Value.

DISCOUNT MANAGEMENT

To assist in managing any discount to Net Asset Value at which Ordinary Shares may be trading, the Company has the authority (subject to annual renewal by Shareholders) to make market purchases of up to 10 percent of the Company's Shares.

INDEPENDENT BOARD OF DIRECTORS

CATCo Reinsurance Opportunities Fund Ltd. ("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. manages a focused portfolio of retrocessional reinsurance risks in global property, marine, aviation and specialty classes that are fully cash collateralised.

OUTPERFORMANCE INCENTIVISED

CATCo Reinsurance Opportunities Fund Ltd. has a performance fee of 10 percent 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.

CATCO REINSURANCE OPPORTUNITIES FUND LTD. PROVIDES ITS SHAREHOLDERS THE OPPORTUNITY TO PARTICIPATE IN THE RETURNS FROM INVESTMENTS LINKED TO CATASTROPHE REINSURANCE RISKS, PRINCIPALLY BY INVESTING IN FULLY COLLATERALISED REINSURANCE CONTRACTS AND ALSO VIA A VARIETY OF INSURANCE-BASED INVESTMENTS.

MANAGED BY MARKEL CATCO INVESTMENT MANAGEMENT LTD.

Appointed by the Board of Directors and regulated by the Bermuda Monetary Authority, the Investment Manager, Markel CATCo Investment Management Ltd., has been retained by CATCo Reinsurance Opportunities Fund Ltd., 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 eight investment funds and a Class 3 Bermuda reinsurance company. Assets under management or advice are approximately $4.3 billion.

The Group offers retrocessional reinsurance expertise, and a disciplined and transparent approach to managing complex risks. More information on Markel CATCo Investment Management Ltd. and its management team can be found at markelcatco.com.

TARGET RETURN

Target annual net return of LIBOR plus 9 to 12 percent per annum achieved by maintaining a disciplined investment approach.

CAPITAL STRUCTURE

273,224,673 Ordinary Shares and 102,510,018 C Shares. Total number of voting rights in the Company is 375,734,691.

CHAIRMAN'S STATEMENT

Nigel Barton, Chairman
CATCo Reinsurance Opportunities Fund Ltd.

CHAIRMAN'S REVIEW

Welcome to the 2016 Annual Report for CATCo Reinsurance Opportunities Fund Ltd. (the "Company"). For the year ended 31 December 2016 the Company achieved a net return for Shareholders of 8.12 percent for the Ordinary Shares and 7.27 percent for the C Shares. This is despite the number of significant catastrophic events that occurred during the year, making 2016 the worst year for insured losses since 2012 (Source: Munich Re).

The Company's Ordinary and C Shares significantly outperformed the industry benchmark, the Eurekahedge ILS Advisors Index (2016: 5.18 percent), by 57 percent and 40 percent respectively. This is the sixth year in a row that the financial performance of the Company has significantly exceeded the index.

Furthermore, 2016 represented continued solid performance with a NAV total return since inception of 74.81 percent, which includes the annual dividend (at a rate of LIBOR plus 5 percent of the Company's Net Asset Value ("NAV")) and the prior year's return of value. The Company forms part of the Markel CATCo group of companies ("the Group") which now has combined private and public fund assets under management ("AUM") of approximately $4.3 billion.

In 2014, Side Pocket Investments ("SPI's") were created as a result of U.S. severe convective storm events, amounting to approximately 3.5 percent of the Company's NAV at the time. As at 31 December 2016, these SPI's represented approximately 1.6 percent of the Ordinary Share NAV (31 December 2015: 1.5 percent).

In 2015, SPI's were created principally as a result of the winter storms in the U.S. and Canada, the Tianjin explosion in China and the UK floods. In the first quarter of 2016, the Investment Manager was able to release the entire Side Pocket Investment and loss reserve in relation to the UK floods, resulting in a 1 percent appreciation in the Ordinary Share NAV. As at 31 December 2016, the remaining SPI's represented approximately 3.2 percent of the Ordinary Share NAV (31 December 2015: 5.5 percent). The combined 2014 and 2015 SPI's amount to 4.8 percent of the Ordinary Share NAV as at 31 December 2016.

SPI's were also created for 2016 as a result of the Fort McMurray wildfire in Canada, the Jubilee oil field off the coast of Ghana, Hurricane Matthew in Southeast United States and the South Island earthquake in New Zealand. As at 31 December 2016, the SPI's established in relation to the 2016 portfolio represented approximately 7.1 percent of both the Ordinary and C Share NAV's. These 2016 SPI's represent capital held by reinsurance counterparties in excess of the loss reserves and reflect the above average catastrophic events during the year.

The combined 2014, 2015 and 2016 SPI's amount to 11.5 percent of the Ordinary Share NAV.

Further information about the loss reserves is included in the Manager's Review.

CAPITAL RAISING

Following the raise of $91.84 million of new capital in the fourth quarter of 2015 the Company raised a further $10.89 million in March 2016. This new capital was used to meet a proportion of new demand from reinsurance clients which occurred prior to the mid-year reinsurance contract renewals.

Your Board believes that it is important for the Company to be able to raise additional capital, should there be an appropriate level of demand from both reinsurance clients and potential new and existing investors. In addition, therefore, to the authority which the Board seeks annually from Shareholders to allot Ordinary Shares up to a maximum of 10 percent of the number of Ordinary Shares in issue at the date of the AGM, your Board is seeking a similar authority in relation to the C Shares. The issuance of either Ordinary Shares or C Shares will only take place at a premium to the prevailing NAV.

2016 REPRESENTED CONTINUED SOLID PERFORMANCE WITH A NAV TOTAL RETURN SINCE INCEPTION OF 74.81 PERCENT.

Any C Shares issued under this shareholder authority would, in due course, be consolidated into a single class, following Board approval, with the Ordinary Shares along with the pre-existing C Shares in issue. The relevant Special Resolutions, numbered 8 and 9 appear in the Notice of Annual General Meeting on pages 49 and 50, and a more detailed explanation is in the Directors' Report, on page 21.

C Share Conversion
Your Board continually keeps under review the materiality of SPI's and the possible timing for conversion of the C shares into Ordinary Shares and will only do when the SPI's have either been released or are deemed immaterial, thus limiting the exposure of new capital to past losses.

As at the date of publication of this Annual Report, that remains the case, however a further release of the 2014 and 2015 SPI's is expected during 2017 and, subsequent to such releases, the Board will consider the remaining materiality of the SPI's and the possible timing of the conversion of the C Shares.

Tender Offer and Dividend
As set out in the Circular to Shareholders dated 29 September 2015, the Company has implemented a Return of Value Tender with the objective of making an investment in the Company more attractive to a wider range of investors.

The Tender Offer is offered at the Board's discretion and only if the Company's shares trade at a discount on the day the NAV per share, as at 31 October in a particular year, is announced. The Company's Ordinary Shares and C Shares traded at a 0.25 percent discount and a 0.53 percent discount respectively, to the Net Asset Value as at 14 November 2016. After consulting with major Shareholders, and in light of the narrow discount to the Net Asset Value, the Board decided not to implement the Return of Value Tender for either class of share.

An annual dividend of $0.07180 in respect of Ordinary Shares and $0.05795 in respect of the C Shares was paid to Shareholders on 17 February 2017 as announced on 26 January 2017.

Shareholders
I would like to notify Shareholders that it is my intention to stand down from the Board of Directors at the Company's forthcoming AGM in order to become Chairman of the Markel CATCo Reinsurance Fund Ltd. I believe that, with my experience of the reinsurance industry, this new role will allow me to best serve the interests of all of the Group's stakeholders.

It is proposed that James Keyes will replace me as Chairman of the Company. Also, it is the Board's intention to appoint an additional director in order to maintain the number of directors on the Board at four.

I would like to thank not only Shareholders for the support they have given me as their Chairman, but also the Investment Manager for their exemplary performance. During this period of my tenure as Chairman, the Company has grown its NAV by over 30 percent, returned profits of over $98 million and has paid a dividend each year equal to LIBOR plus 5 percent of the Net Asset Value.

On behalf of all of the directors I would like to express our gratitude to the Investment Management team for their continued hard work during 2016, which has resulted in another positive year for the Company and strong prospects for the future.

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

MANAGER'S REVIEW

Anthony Belisle, Chief Executive Officer
Markel CATCo Investment Management Ltd.

Under the new ownership of Markel Corporation ("Markel"), Markel CATCo Investment Management Ltd. ("MCIM" or the "Investment Manager") successfully achieved significant growth in terms of both demand from its reinsurance clients and its assets under management ("AUM"). AUM as at 1 January 2017 increased by over 20 percent to $4.3 billion compared to the previous year, the new capital being used to meet additional reinsurance buyer demand for the 1 January 2017 renewal season.

The integration process between MCIM and Markel was completed in August 2016 during which a number of synergies between the two organisations were identified. Markel has provided significant benefits to MCIM through scale and financial and operational support. Much of the success of the integration was due to the similar cultures of the two companies and their joint focus on providing the best service possible to clients. The Investment Manager continues to enjoy strong support from its parent company.

In response to the Group's growth, and in order to provide additional resource, MCIM has invested in its team and during the year appointed additional key personnel including Alissa Fredricks as Chief Risk Officer and John Whiley as Chief Compliance Officer. The Investment Manager also appointed a new Senior Actuary, Kimberly Kerivan who previously worked for the international catastrophe modeling company, AIR Worldwide. These appointments strengthen the management team and help the Investment Manager to develop and focus on providing its reinsurance buyers with the leading edge innovative products available in the retrocessional reinsurance industry. The Investment Manager will continue to invest in resources in line with the development of its business.

2016 Significant Loss Events Update

Following three years of relatively low natural catastrophe activity, economic loss figures for the past twelve months were nearly as high as the estimated figure for 2012 of $180 billion. According to Munich Re, total economic losses due to natural catastrophes in 2016 amounted to approximately $175 billion. Almost 30 percent of the losses, or approximately $50 billion, were insured. This makes 2016 one of the five worst years for insured losses due to natural disasters. The share of uninsured losses, known as the protection gap, highlights that a key growth opportunity exists for both the insurance and reinsurance markets to expand into new regions and perils.

The costliest natural catastrophe of the year was the April earthquake in Kumamoto, Japan, which resulted in $5.9 billion of insured loss. While a significant event for the region, loss levels are expected to remain significantly below our coverage levels.

Hurricane Matthew, which impacted the Caribbean and Southeast United States, was the largest event to impact North America in 2016, with claims currently estimated at $3.8 billion. North America was also impacted by other extreme events, including the Fort McMurray wildfire which became the largest catastrophe to ever impact Canada with cumulative insured losses of approximately $2.9 billion.

DEMAND FOR THE GROUP'S PRODUCT IS AT ITS HIGHEST POINT SINCE THE COMPANY'S INCEPTION, WHICH HAS ALLOWED THE INVESTMENT MANAGER TO DEPLOY 100 PERCENT OF ITS AVAILABLE CAPITAL DURING THE 2017 RENEWAL PROCESS.

Another significant earthquake event occurred in November in South Island, New Zealand, with current insured loss estimates of approximately $2 billion.

The most costly manmade disaster in 2016 was associated with the Jubilee oil field offshore energy loss off the coast of Ghana. Current estimates related to business interruption, joint hull and machinery losses for this event are in the range of $1.2 billion to $1.5 billion.

Loss Reserves
During 2016 the Investment Manager established total loss reserves of 9.5 percent for the following events; Jubilee oil field 3.5 percent, Canada wildfire 3 percent, Hurricane Matthew 1 percent, the New Zealand earthquake 1 percent and attritional losses 1 percent.

As previously highlighted in our interim report, during the first quarter of 2016, the Investment Manager released the entire loss reserves related to the 2015 UK floods, resulting in a 1 percent appreciation in the Ordinary Share NAV.

Attritional Loss Reserve
As a consequence of the increasing size and diversity of the Company's portfolio, inevitably a number of small ('attritional') losses will be incurred. Notifications of a proportion of these losses are occasionally received an extended time after the loss event and towards the end of the Company's financial year.

To offset this concentration of loss reporting that impacts the NAV towards the end of the year, the Company introduced a monthly attritional loss reserve of approximately 0.15 percent with effect from January 2016.

2017 Outlook
With 2016 producing the highest level of catastrophe losses since 2012, the Investment Manager has been able to improve terms and conditions for its reinsurance clients. Despite the challenging soft market, client retentions remain at very high levels and a number of new clients were successfully added to the portfolio.

According to Guy Carpenter, traditional reinsurance pricing continued to see downwards pricing pressure of approximately 3.7 percent, as at 1 January 2017, compared to a decrease of 8.8 percent in the previous year. The most significant movement in the sector has been within the Cat Bond market which has seen rate reductions of up to 30 percent during the fourth quarter of 2016. Despite this backdrop, the Group has successfully maintained its premium rates due principally to its unique pillared product that can be personalised for each individual client.

The low price environment and the continued growth of the ILS market has again enabled the Investment Manager to purchase broader balance sheet protections for 2017, mainly in the form of ILWs that were purchased at similar price levels to 2016. These protections reduce the Company's exposure to potential losses from significant catastrophic events.

Demand for the Group's product is at its highest point since the Company's inception, which has allowed the Investment Manager to deploy 100 percent of its available capital during the 2017 renewal process. With a broad geographic spread, a balanced exposure to differing risk perils and with portfolio protections in place, the Investment Manager has successfully built a stronger investment portfolio for 2017 with a return and risk profile which is similar to that of the 2016 portfolio.

Anthony Belisle
Chief Executive Officer
Markel CATCo Investment Management Ltd.

2 March 2017

FINANCIAL HIGHLIGHTS

2016 SUMMARY

United States Dollar		As at 31 December 2016		As at 31 December 2015		Change
Fund Total Net Asset Value	$	463,617,125	$	437,103,428	$	26,513,697
Ordinary Shares						
Net Asset Value	$	355,855,825	$	347,105,110	$	8,750,715
Shares in issue		273,224,673		273,224,673		-
Net Asset Value per Share	$	1.3024	$	1.2705	$	0.0319
Share price	$	1.3050	$	1.3080	$	(0.0030)
Premium / (Discount) to NAV		0.20%		2.96%		-2.76%
Dividend declared and payable per Share	$	0.0718[1]	$	0.0662[2]	$	0.0056
Total return after performance fee		8.12%[3]		11.58%[4]		-3.46%
Total expense ratio to average net assets		-2.24%		-2.45%		0.21%
C Shares[5]						
Net Asset Value	$	107,761,300	$	89,998,318	$	17,762,982
Shares in issue		102,510,018		91,835,018		10,675,000
Net Asset Value per Share	$	1.0512	$	0.9800	$	0.0712
Share price	$	1.0530	$	1.0250	$	0.0280
Premium / (Discount) to NAV		0.17%		4.59%		-4.42%
Dividends declared and payable per Share	$	0.0580	$	-	$	0.0580
Total return after performance fee		7.27%		-		7.27%
Total expense ratio to average net assets		-2.05%		-		-2.05%

HIGHS AND LOWS - ORDINARY SHARES

	2016		2015	
	$ High	**$ Low**	**$ High**	**$ Low**
Net Asset Value per Share at month end	1.3288	1.2331	1.2917	1.1463
Share price	1.305	1.213	1.308	1.115
	% Premium	**% Discount**	**% Premium**	**% Discount**
Premium / (Discount to NAV)[6]	1.28%	-5.46%	2.96%	-5.50%

1 Record Date 3 February 2017
2 Record Date 12 February 2016
3 Total return after adjusting opening capital for dividend declared on 29 January 2016
4 Total return after adjusting opening capital for dividend declared on 15 January 2015
5 Issued 2 November 2015
6 As recorded at any given month end

NAV TOTAL RETURNS SINCE INCEPTION OF SHARES TO 31 DECEMBER 2016

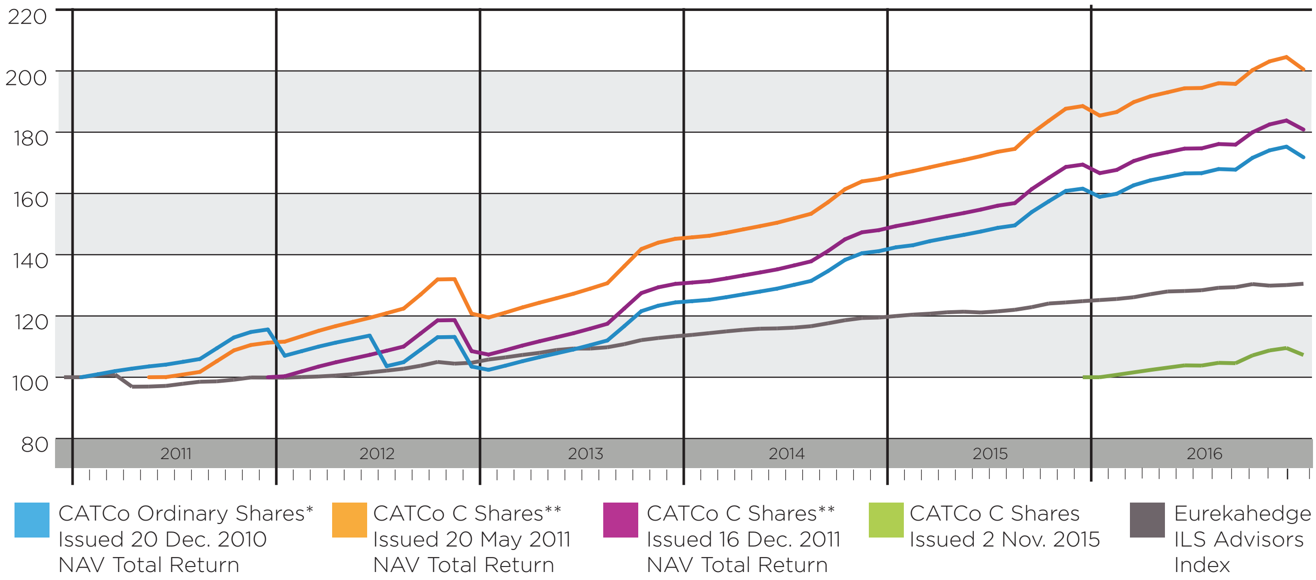
Ordinary Shares issued on 20 Dec. 2010 to 31 Dec. 2016	74.81%
C Shares issued on 20 May 2011 to 31 Dec. 2016	100.48% [7]
C Shares issued on 16 Dec. 2011 to 31 Dec. 2016	80.16% [7]
C Shares issued on 2 Nov. 2015 to 31 Dec. 2016	7.27%

NAV PERFORMANCE PER YEAR SINCE INCEPTION

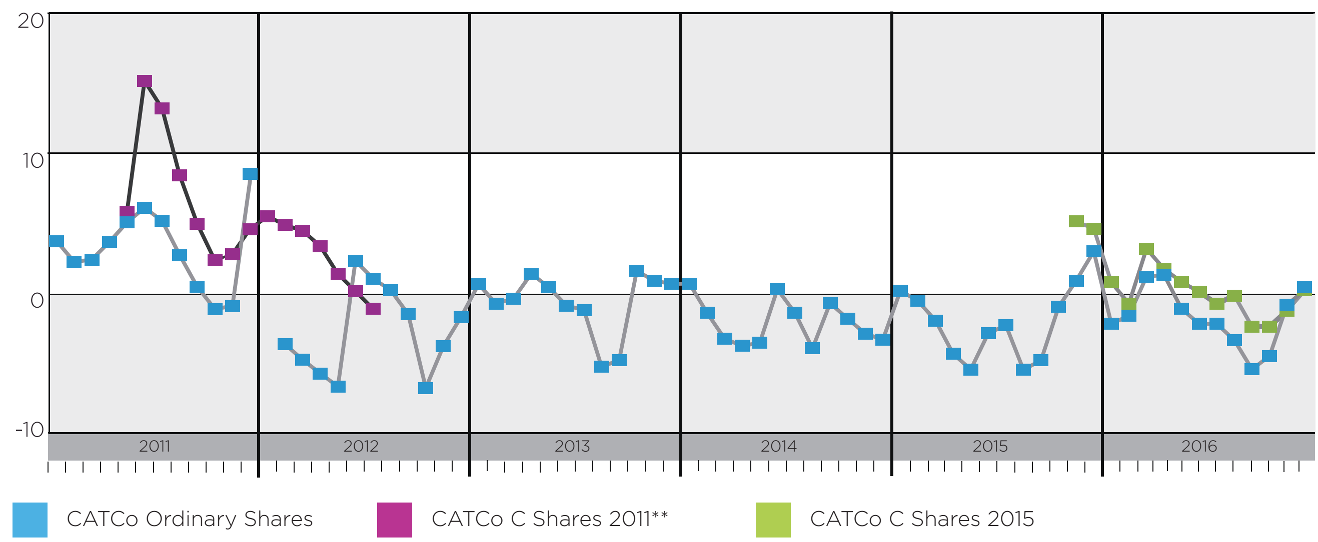
United States Dollar	**Ordinary Shares [8] Exposure to 2012 Loss Reserves [9, 10]**	**Ordinary Shares Exposure to 2011 & 2012 Loss Reserves [9, 10]**	**C Shares [9, 10]**
2011 Annual Return	11.69%	7.43%	
2012 Annual Return	7.06%	-4.32%	-
2013 Annual Return	21.90%	21.90%	-
2014 Annual Return	14.08%	17.08% [11]	-
2015 Annual Return	11.58%	11.58%	0.00%
2016 Annual Return	8.12%	8.12%	7.27%

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

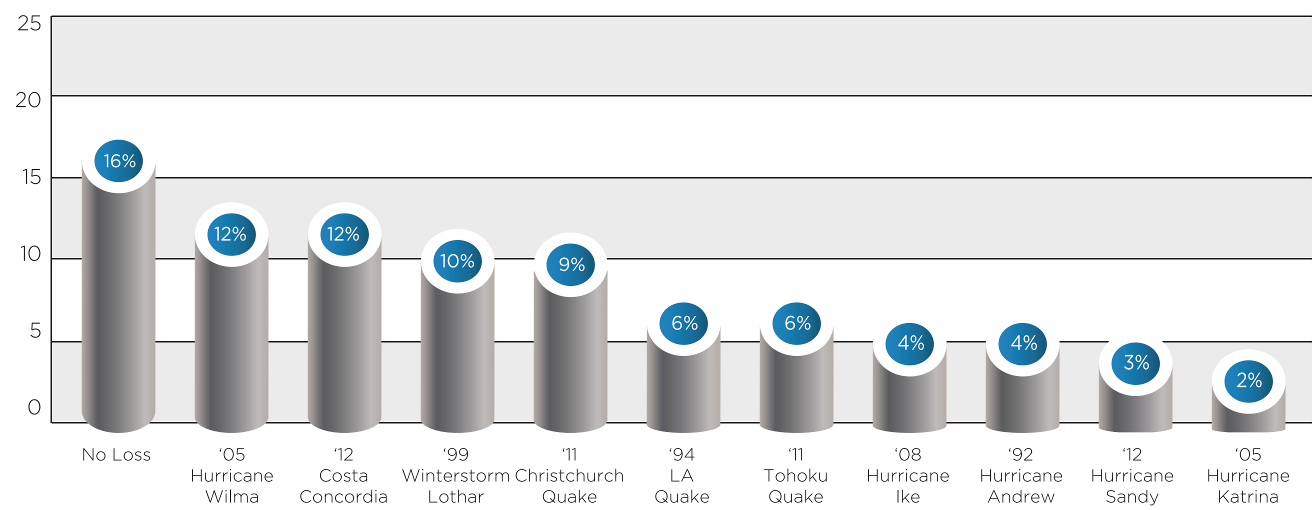
PERFORMANCE ANALYSIS



PREMIUM/DISCOUNT TO NET ASSET VALUE



2016 INDICATIVE NET PORTFOLIO RETURNS FROM A REPEAT OF HISTORICAL SINGLE LOSS EVENTS



* Does not include the 3% capital return paid as a contingent distribution in January 2014

** CATCo C-Shares issued on 20 May 2011 and 16 December 2011 were converted to Ordinary Shares on 10 August 2012

2016 WORST CASE SINGLE EVENT NET PORTFOLIO RETURNS*

	Peril Description	Net Return
	No Losses	**16%**
1	Europe Severe Convective Storm	**22%**
2	Australia Severe Convective Storm	**21%**
3	Philippines Windstorm	**21%**
4	India Earthquake	**21%**
5	USA Crop	**18%**
6	Indonesia Earthquake	**18%**
7	Onshore Nonelemental Energy	**18%**
8	Elemental Marine	**18%**
9	Australia Wildfire	**17%**
10	Aviation	**17%**
11	Philippines Earthquake	**16%**
12	All Other Asia Pacific Wind/Quake	**15%**
13	Hong Kong Windstorm	**15%**
14	Middle East/Africa Wind/Quake	**15%**
15	Worldwide Property Treaty Risk	**15%**
16	China Windstorm	**14%**
17	South Korea Windstorm	**12%**
18	Taiwan Windstorm	**12%**
19	All other	**11%**
20	Taiwan Earthquake	**9%**
21	North American Wildfire	**9%**
22	Offshore Nonelemental Marine	**8%**
23	Offshore Nonelemental Energy	**8%**
24	Europe Flooding	**7%**
25	Terrorism	**7%**

	Peril Description	Net Return
26	North America Severe Convective Storm	**6%**
27	Mexico Windstorm	**6%**
28	USA (Hawaii) Windstorm	**5%**
29	Central America Earthquake	**3%**
30	Israel Earthquake	**3%**
31	China Earthquake	**2%**
32	Caribbean Earthquake	**1%**
33	UK Flooding	**1%**
34	South America Earthquake	**0%**
35	North America Winter Storm	**-4%**
36	Mexico Earthquake	**-5%**
37	Caribbean Windstorm	**-5%**
38	New Zealand Earthquake	**-5%**
39	Japan Windstorm	**-7%**
40	Canada Earthquake	**-7%**
41	Australia Windstorm	**-8%**
42	Europe Earthquake	**-8%**
43	Australia Earthquake	**-10%**
44	Europe Windstorm	**-10%**
45	Japan Earthquake	**-10%**
46	USA (California) Earthquake	**-10%**
47	USA (Excluding California) Earthquake	**-10%**
48	USA (Gulf) Windstorm	**-10%**
49	USA (Florida) Windstorm	**-10%**
50	USA (Atlantic) Windstorm	**-10%**

* The worst case single event profile represents the impact that a total exposure loss to each specific event would have on the net portfolio returns. Due to the presence of hedging protections put in place, some risk perils will have worst case returns that are greater than the no-loss returns.

BOARD OF DIRECTORS

NIGEL BARTON
Chairman and Non-Executive Director

Nigel Barton has extensive insurance and reinsurance experience having worked in the industry for 39 years. From 2002 to 2011, he was the founder and Chief Executive Officer of Oxygen Holdings plc, a specialist insurance broking business based in London, United Kingdom. Between 1984 to 2002, Nigel was a director of DP Mann Holdings Ltd. ("DP Mann"), a Lloyds Managing Agency, which was acquired by General Reinsurance Corporation/Berkshire Hathaway Inc. in 1998. After DP Mann had changed its name to Faraday Underwriting, he had the role of Director of Underwriting, and then ultimately Chief Executive Officer. From 1976 to 1984, Nigel worked at Marsh, a global leader in insurance broking, where his focus was on catastrophe reinsurance and retrocession classes. He holds a Masters in Business Administration, and has performed various executive and non-executive committee and director appointments within the Lloyds of London market and is currently a Non-executive Director of StarStone Underwriting Limited and a Director of Wrisk Limited. He joined the Board of Directors of CATCo Reinsurance Opportunities Fund Ltd. on 5 November 2012.

MARGARET GADOW
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 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, Liontrust Asset Management Company plc, Standard Life Private Equity Investment Trust 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 Phoenix Group Holdings and Markel CATCo Reinsurance Fund Ltd. He joined the Board of Directors of CATCo Reinsurance Opportunities Fund Ltd. on 1 April 2011.

ALASTAIR BARBOUR

Audit Committee Chairman and Non-Executive Director

JAMES KEYES

Management Engagement Committee Chairman and Non-Executive Director

James Keyes has been a Managing Director of Renaissance Capital since 1 October 2008, and established the Bermuda office for Renaissance Capital in 2008. James was previously a partner of Appleby, an offshore law firm, for 11 years. He joined Appleby in 1993 and was team leader of the Funds & Investment Services Team. Prior to Appleby, he was employed in the corporate department of the law firm Freshfields, and worked in their London, New York and Hong Kong offices. James was admitted as a Solicitor in England and Wales in 1991 and to the Bermuda Bar in 1993. He became a Notary Public in 1998. He acts as a Director on a number of investment funds and private companies, including the Brummer Group and investment funds managed by Polar Capital Investments. He joined the Board of Directors of CATCo Reinsurance Opportunities Fund Ltd. on 7 December 2010.

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 pages 14 to 15.

For the year ended 31 December 2016, and from 8 December 2015 (following the Acquisition, as further detailed below), the management of the investment portfolio has been conducted by Markel CATCo Investment Management Ltd. A summary of the terms of the management agreement is contained in the Directors' Report on pages 19 to 22.

ACQUISITION AND RESTRUCTURING OF INVESTMENT MANAGER

As announced on 8 December 2015, substantially all of the assets of CATCo Investment Management were acquired by Markel Corporation (the "Acquisition"). Substantially all of the business of the Investment Manager now operates as Markel CATCo Investment Management Ltd., (the "Investment Manager"). As a result of the completion of the Acquisition, the Company has, from 1 January 2016, conducted substantially all of its investment activities (other than run-off investments) through the Markel CATCo Diversified Fund, a segregated account of Markel CATCo Reinsurance Fund Ltd. (the "Master Fund") instead of CATCo Diversified Fund, a segregated account of CATCo Reinsurance Fund Ltd (the "CATCo Master Fund"). From 1 January 2016, all reinsurance business has been conducted via Markel CATCo Re Ltd. (the "Reinsurer") rather than CATCo-Re Ltd. No further investments have, therefore, been made since that date by the Company in CATCo Diversified Fund. Consequently, from 1 January 2016 onwards, the Company has invested in the Master Fund and retains an investment in the CATCo Master Fund, and will continue, in the case of the latter, to do so, until the run-off investments have been wound down. The Company therefore revised its investment policy accordingly, at the date of the Acquisition.

INVESTMENT OBJECTIVE

The investment objective of the Company, the Master Fund and the CATCo Master Fund is 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 the Reinsurer. The Company's investment policy appears below, and the Manager's Review on pages 8 to 9 explains how the Company and the Master Fund have invested their assets with a view to spreading investment risk in accordance with the Company's investment policy.

INVESTMENT POLICY AND INVESTMENT STRATEGY

The Master Fund and the CATCo Master Fund intend to spread 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 and the CATCo Master Fund intend that:
- no more than 20 percent of their respective capital will be exposed to a single catastrophic event;
- their respective 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 or the CATCo Master Fund, as appropriate;
- their respective capital will be exposed to aviation and marine (including offshore energy) losses caused by catastrophes; and
- at least 50 percent of their respective capital will be exposed to residential and commercial property losses.

At 31 December 2016, the Portfolio of Investments reflects the stated guidelines as each of the reinsurance arrangements entered into by the Reinsurer contain several non-correlated pillars of risk and provides a portfolio exposure to 50 diversified risk pillars.

When investing, the Company'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 13.

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 and the CATCo Master Fund 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 Manager's Review. Details of the Company's performance during the year under review and since inception are shown on pages 10 and 11. The distribution of the Company's investments is shown on page 44.

MONITORING PERFORMANCE

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

The key performance indicators used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in net asset value per Ordinary Share on a gross, net and total return basis;
- the movement in the Share price on a Share price and total return basis;
- the discount; and
- the total expense ratio

In addition to the above, the Board of Directors also considers peer group comparative performance

STRATEGY IMPLEMENTATION

The reputation of the Investment Manager is built on developing advanced products for its investors, pioneered by experienced professionals with established expertise in managing complex risks.

As an investment boutique, the Investment Manager builds and manages concentrated, diversified and fully collateralised portfolios designed to deliver meaningful market outperformance for its clients and investors. The key to the success of its investment strategies has been the development of its risk-management framework. The investment funds portfolio managed by the Investment Manager consists of fully collateralised reinsurance contracts and are largely uncorrelated to traditional asset classes. Risk is spread across multiple non-correlated risk pillars which aims to limit the amount of capital exposed with respect to a single catastrophic event. These modelled risk pillars can be grouped into the following broad categories: US Wind, US Quake, Europe Wind, Japan Wind, Japan Quake, Rest of World, Offshore Global Marine and Energy, Aviation, Terrorism, Winterstorm, Wildfire, Severe Convective Storm and Flooding, as well as other Specialty Reinsurance Lines.

MANAGEMENT OF RISK

The 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 September 2014, the Directors have assessed the prospects of the Company over the three-year period to the Annual General Meeting in 2020. The Directors believe this period to be appropriate as they will be required by the Bye-laws of the Company to put a proposal for the continuation of the Company at that meeting.

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 "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. The Directors have also considered the ability of the Investment Manager to raise finance and deploy capital.

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 2020.

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 2016, there were three male Directors and one female Director on the Board. The Board's policy on diversity is set out on page 25.

By order of the Board of Directors

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

DIRECTORS' REPORT

The Board of Directors submit their annual report together with the results of the Company for the year ended 31 December 2016.

BUSINESS

CATCo Reinsurance Opportunities Fund Ltd. (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', which, for the year ended 31 December 2016, invested substantially all of its assets in Markel CATCo Diversified Fund, which is a segregated account of Markel CATCo Reinsurance Fund Ltd., 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 Markel CATCo Re Ltd.

DIVIDEND

The Company is targeting distributions on Shares by way of dividend in respect of each Fiscal Year of an amount equal to LIBOR plus 5 percent of the Net Asset Value per Share of the relevant class at the end of each Fiscal Year.

On 26 January 2017, the Company announced an annual dividend of $0.07180 in respect of each of the Ordinary Shares and $0.05795 in respect of each of the C Shares, for the year to 31 December 2016, payable on 17 February 2017. The record date for this dividend will be 3 February 2017 and the ex-dividend date 2 February 2017.

EMPLOYEES

The Company has no employees; its investments and operational functions are managed by Markel CATCo Investment Management Ltd.

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.

CATCo Investment Management Ltd., the investment manager of the Company for the period 1 January to 8 December 2015, is also the investment manager of the CATCo Master Fund and the insurance manager of CATCo-Re Ltd. (the "CATCo Reinsurer").

Under the new investment management agreement (the "New Investment Management Agreement") between the Company and the Investment Manager entered into on 8 December 2015, the Company has appointed the Investment Manager as its investment manager in place of CATCo Investment Management except in relation to certain portfolio management services for the run-off investments, as described in the paragraph below. Save for the foregoing, the New Investment Management Agreement is on materially the same terms as the original investment management agreement other than the monthly fee payable to the Investment Manager for secretarial, accounting and administrative services will be 1/12 of $275,000 (rather than of $200,000) and the indemnity given to the Investment Manager by the Company is also in favour of the Investment Manager's subsidiaries and other affiliates, and their respective officers, directors, employees and agents.

Under the original investment management agreement with CATCo Investment Management Ltd, that company was entitled to a management fee, calculated and payable monthly in arrears equal to 1/12 of 1.5 percent of the net asset value of the Company which was not attributable to the Company's investment in the CATCo Master Fund Shares as at the last calendar day of each calendar month. Performance fees were charged in the CATCo Master Fund. On 8 December 2015, the management agreement was amended and restated such that the appointment of CATCo Investment Management Ltd. was restricted to providing certain management portfolio services in respect of the run-off investments for such time as the Company retains an investment in the CATCo Master Fund. In addition, CATCo Investment Management Ltd. no longer provides any secretarial, accounting or administrative services, all of which, from 8 December 2015, are provided by the Investment Manager.

As at the date of this report, Markel Corporation, which holds the entire share capital of the Investment Manager, holds, through its asset management subsidiary, 6.65 percent of the total voting rights of the Ordinary Shares and C Shares issued by the Company. In addition, three 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 17. The Board also reviews the management processes, risk control mechanisms and marketing activities of the Investment Manager. As a result of these reviews, 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. The Board continues to keep this matter under review.

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 renumeration 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, Manager's Review and in this Report.

In accordance with the UK Corporate Governance Code (the "Governance Code") issued in September 2014 (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 20.

The Company's assets consist of cash and exposure to a diverse portfolio of retrocessional reinsurance investments, including Industry Loss Warranties, which, in most circumstances, are fully liquid at the end of their contractual term.

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.

SPECIAL BUSINESS AT ANNUAL GENERAL MEETING

Disapplication of Pre-emption Rights
Under the Bye-Laws of the Company, if the Directors wish to allot any of the unissued Ordinary Shares or C Shares they must, in the first instance offer them to existing Shareholders in proportion to their shareholding of such class of Ordinary Shares or C Shares.

There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares or C Shares without a pre-emptive offer to existing Shareholders.

Special Resolution 8 will, if passed at the annual general meeting, give the Directors authority to disapply pre-emption rights in respect of up to an aggregate number of Ordinary Shares that represents 10 percent of Ordinary Shares in issue as at the date the resolution is passed, such number to be increased further by such number of Ordinary Shares as represents 10 percent of the Ordinary Shares into which any C Shares, of the class of C Shares in issue on the date of the notice of annual general meeting, are converted. Any Ordinary Shares issued under such authority must be issued at a premium to the Net Asset Value per Ordinary Share.

Special Resolution 9 will, if passed at the annual general meeting, give the Directors authority to disapply pre-emption rights in respect of up to an aggregate number of C Shares, of the class of C Shares in issue on the date of the notice of annual general meeting, that represents 10 percent of the Company's C Shares of such class in issue as at the date of such meeting. Any C Shares issued under such authority must be issued at a premium to the Net Asset Value per C Share.

Shareholders last granted authority to the Directors to disapply pre-emptive rights at the annual general meeting of the Company on 22 March 2016.

The Board have no current plans to utilise this authority although any issue in the future will only be exercised in circumstances where this will be in the best interests of Shareholders as a whole.

The authority sought under Special Resolutions 8 and 9 will expire on the conclusion of the next annual general meeting of the Company or, in the case of Special Resolution 9, if earlier, the date on which the C Shares are converted into Ordinary Shares.

AUTHORITY TO MAKE PURCHASES OF OWN SHARES

Special Resolution 10, if passed, will give the Company authority to buy back its own Ordinary Shares as permitted and in accordance with its Bye-Laws and the Bermuda Companies Act 1981 (as amended). The Directors are proposing that this authority limits the number of Ordinary Shares that may be purchased to up to 10 per cent of the Ordinary Shares in issue as at the date of this Special Resolution. The Resolution also sets the maximum prices that can be paid.

The authority will only be exercised if the Directors believe that to do so would result in an increase in the Net Asset Value per share for the remaining Shareholders and would be in the interest of the Shareholders generally. Any buy-back will also be made within the additional guidelines established from time to time by the Board.

If this authority were to be exercised, the shares repurchased would be cancelled. At present, the Board have no current intention of utilizing this authority.

The authority sought under Special Resolution 10 will expire on the conclusion of the next annual general meeting.

SHARE CAPITAL

The Company's issued share capital at 1 January 2017 amounted to 273,224,673 Ordinary Shares and 102,510,018 C Shares. On 24 March 2016, the Company issued 10,675,000 C Shares, resulting in a total of 102,510,018 C Shares as at 1 January 2017. Note 7 to the Financial Statements contains further details relating to the C Shares.

SUBSTANTIAL INTERESTS

At 1 March 2017, 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 and Transparency Rules:

	Number of Shares Held	% of Share Capital
Old Mutual Global Investors	66,668,224	17.74
M&G Investment Management	42,515,941	11.32
CCLA Investment Management	30,540,168	8.13
Cazenove Capital Management	29,562,170	7.84
Baillie Gifford	25,299, 969	6.73
Markel-Gayner Asset Management	25,000,000	6.65
Architas Multi Manager	22,018,393	5.86
City Financial	14,894,750	3.96
Investec Asset Management	14,176,341	3.77
Aberdeen Asset Management	12,375,614	3.2

DIRECTORS

The Directors, who all held office throughout the year under review, together with their interests, are shown below. All Directors will offer themselves for re-election, except for Nigel Barton, who intends to stand down from the Board of Directors at the Company's forthcoming AGM in order to become Chairman of the Markel CATCo Reinsurance Fund Ltd. Since Nigel Barton's appointment as Chairman of CATCo Reinsurance Opportunities Fund Ltd. in November 2012, the Markel CATCo group of companies (the "Group") has grown significantly, and it is considered that this new role will allow Nigel to serve best the interests of all of the Group's stakeholders.

It is proposed that James Keyes will replace Nigel as Chairman of the Company. It is also the Board's intention to appoint an additional director in order to maintain the number of directors on the Board at four.

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 Share Capital of the Company were as follows:

	As at 31 December 2016 Ordinary Shares	As at 31 December 2015 Ordinary Shares
Nigel Barton	62,674	62,674
Alastair Barbour	130,000	130,000
Margaret Gadow	55,901	42,853
James Keyes	-	-

Margaret Gadow purchased 13,048 Ordinary Shares of the Company on 1 March 2016, at a price of $1.23 per Share.

No Director has any interests in the C Shares of the Company.

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 30 to 31 of the Annual Report.

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

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.

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 September 2014 (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. This is a comprehensive guide on corporate governance which describes the relevance and applicability of each recommendation of the UK Corporate Governance Code to investment companies and documents how the AIC Code translates the UK Corporate Governance Code into a framework suitable for the industry's unique structure.

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 Markel CATCo Reinsurance Fund Ltd. 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 four non-executive Directors. The names and biographies of those Directors appear on pages 14 to 15 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 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 Nigel continues to have the appropriate independence to remain in this role. However, for the reasons set out in the Directors' Report, it is Nigel's intention to stand down from the Board at the forthcoming AGM, and it is proposed that James Keyes succeeds Nigel as Chairman. The Board of Directors are satisfied that James is independent of the Investment Manager and CATCo Investment Management Ltd..

The respective re-elections of Margaret Gadow, Alastair Barbour and James Keyes 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.

DIRECTORS' ATTENDANCE AT MEETINGS DURING THE YEAR ENDED 31 DECEMBER 2016

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

Director	Scheduled Board Meetings Attended	Special Purpose Committee/Board Meetings Attended*	Audit Committee Meetings Attended**
N Barton	3/4	1/3	1/1
A Barbour	4/4	4/4	1/1
M Gadow	4/4	1/3	1/1
J Keyes	3/4	4/4	1/1

* *Includes one meeting of the Management Engagement Committee, which was attended by all Directors.*

** *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 2016 and the Interim Report to shareholders. This meeting is included in the meetings referred to in the first column of this table.*

Between meetings the Board of Directors maintains regular contact with the Investment Manager. 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.

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 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 of Directors' reported actual and potential conflicts of interest at each Board meeting. 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 14 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 Trustee services (which include the safeguarding of the assets); 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
An Audit Committee has been established and 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 in 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 auditors 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 auditors, with particular regard to non-audit fees; and
- the review of the auditors' 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 page 38. 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 auditors, the results of their audit of the businesses and their review of the valuation of investments. Particular attention was given to management's estimate of the Reinsurer's exposure to claims arising from the UK December Storms given the proximity of the events to the year end date and the resultant uncertainty in estimation. The Committee satisfied itself that the valuation of investments at the period end was appropriate, 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 auditors 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.

Auditors
The external auditors, KPMG Audit Limited, who have acted as the Company's auditors 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 auditors' report on their findings at the conclusion of the audit. 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 $4,500 (2015: $60,000) for non-audit services were paid to KPMG Audit Limited during the year, in connection with 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 auditors, 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 James Keyes. With effect from the AGM in 2017, it is intended that James, upon his appointment as Chairman of the Company, will be succeeded as Chairman of the Management Engagement Committee by Margaret Gadow. The Committee meets once annually in order to review matters concerning the management agreements which exist with Markel CATCo Investment Management Ltd. (the "Investment Manager") and CATCo Investment Management Ltd.

MANAGEMENT FEE

The Markel CATCo Master Fund will pay monthly in arrears to the Investment Manager a management fee (the "Management Fee") equal to 1/12 of 1.5 percent of the Net Asset Value of the Company's Markel CATCo 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.

PERFORMANCE FEE

The Markel CATCo Master Fund will pay a fee to the Investment Manager in respect of the Company's Markel CATCo 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 Markel CATCo Master Fund (each, a "Performance Period") equal to 10 percent of any New Net Income attributable to the Company's Markel CATCo Master Fund Shares (after reduction for the pro rata share of Management Fees, organisational expenses, transactional and other expenses allocable to the Company's Markel CATCo Master Fund Shares), provided that no Performance Fee will be payable in a Performance Period unless the Performance Trigger has been reached.

REMUNERATION COMMITTEE AND DIRECTORS' REMUNERATION

Under the UK Listing Authority's Listing Rule 15.6.6, where an investment company has only non-executive directors, the Governance Code principles relating to Directors' remuneration do not apply. The Board of Directors, therefore, 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 page 30.

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 of Director'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 29 and the Statement of Going Concern is included in the Directors' Report, on page 20. The Independent Auditors' Report is on page 32.

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 pages 49 to 50 sets out the business of the meeting and the resolutions. Separate resolutions are proposed for each substantive issue.

The Board of Directors are very conscious that the Annual General Meeting is an event at which all Shareholders are encouraged to attend and participate. The Investment Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. 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.

INTERNAL CONTROL

The Board of Directors 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 of Directors, 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 and review its investment performance.
- the Board and the Investment Manager have agreed a clearly-defined investment policy, any material change to which requires the approval of the Company's Shareholders by way of Ordinary resolution. Reports on the performance of the Company, the Markel CATCo Master Fund and the CATCo Master Fund, including risk analyses and investment valuations, are regularly submitted to the Board. The investment objectives, policies and restrictions of the Markel CATCo Master Fund may not be amended without the prior consent of the Company.
- 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, 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 Code.

The Board of Directors has delegated responsibility for actively monitoring the activities and performance of the Company, the Markel CATCo Master Fund and the CATCo Master Fund to the Investment Manager, on which the Investment Manager regularly reports to the Board of Directors.

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

Under that law, the Board of Directors have 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 of Directors are 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 Directors are 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. They are 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 Directors consider 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 of Directors are 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 Rules, 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 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
2 March 2017

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 2016 (US dollars)	For the year ended 31 December 2015 (US dollars)
Chairman of the Board: Nigel Barton	80,000	70,000
Chairman of Audit Committee: Alastair Barbour	65,000	55,000
Chairman of Management Engagement Committee: James Keyes	60,000	55,000
Director: Margaret Gadow	55,000	50,000

POLICY ON DIRECTORS' FEES

As the Board is composed wholly of non-executive Directors, it is exempt under the Listing Rules from appointing a remuneration committee.

The Board as a whole considers Directors' remuneration.

The Board has appointed the Investment Manager, Markel CATCo Investment Management Ltd., 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 2016 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 2017.

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

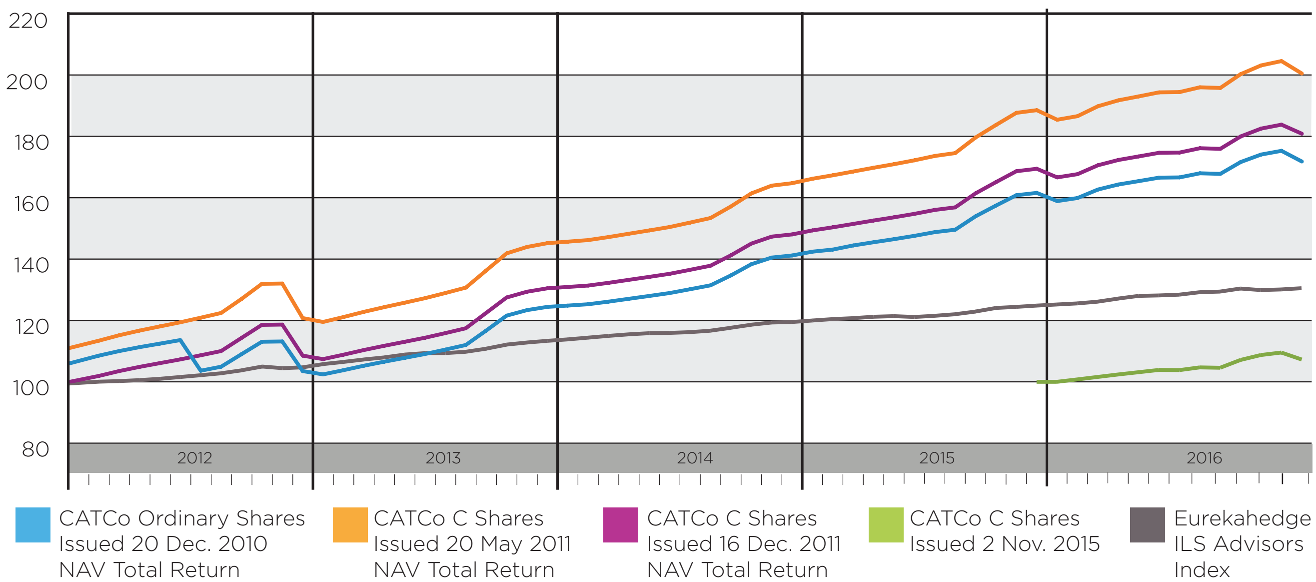
Directors do not have a service contract but are provided with letters of appointment. At each annual general meeting of the Company one-third of the Directors or, if their number is not a multiple of three, then the whole number nearest to but below the number that represents one-third shall retire 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 re-appointed 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, generally, all Directors will stand for annual re-appointment. 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 2012 to 31 December 2016, 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 2012 to 31 December 2016 (rebased)



APPROVAL

The Directors' remuneration report was approved by the Board of Directors on 2 March 2017 and signed on its behalf by

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

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Independent Auditor's Report

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 statement of assets and liabilities as of 31 December 2016 and 2015, and the related statement 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 2016 and 2015, 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
2 March 2017

STATEMENTS OF ASSETS AND LIABILITIES

(Expressed in United States Dollars)	31 Dec. 2016	31 Dec. 2015
	$	$
Assets		
Investments in Master Funds, at fair value (see Note 5)	463,116,346	347,516,987
Cash and cash equivalents	819,558	1,839,305
Advance subscription in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund	-	88,000,000
Other assets	20,257	30,125
Total assets	463,956,161	437,386,417
Liabilities		
Accrued expenses and other liabilities	339,036	282,989
Total liabilities	339,036	282,989
Net assets	463,617,125	437,103,428
NAV per Share (see Note 7)		

STATEMENTS OF OPERATIONS

(Expressed in United States Dollars)	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
	$	$
Net investment loss allocated from Master Funds (see Note 5)		
Interest	142,741	7,768
Miscellaneous Income	11,874	2,992
Management fee	(6,739,718)	(4,987,744)
Performance fee	(3,906,968)	(4,274,137)
Professional fees and other	(312,932)	(383,083)
Administrative fee	(229,233)	(157,199)
Net investment loss allocated from Master Funds	(11,034,236)	(9,791,403)
Company expenses		
Professional fees and other	(1,412,957)	(2,468,689)
Administrative fee	(99,000)	(54,000)
Management fee	(80,620)	(18,175)
Total Company expenses	(1,592,577)	(2,540,864)
Net investment loss	(12,626,813)	(12,332,267)
Net realised gain and net decrease in unrealised appreciation on securities allocated from Master Funds (see Note 5)		
Net realised gain on securities	57,663,896	51,154,113
Net decrease in unrealised appreciation on securities	(11,149,939)	(2,445,883)
Net gain on securities allocated from Master Funds	46,513,957	48,708,230
Net increase in net assets resulting from operations	33,887,144	36,375,963

See accompanying Notes to Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS

(Expressed in United States Dollars)	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
	$	$
Operations		
Net investment loss	(12,626,813)	(12,332,267)
Net realised gain on securities allocated from Master Funds	57,663,896	51,154,113
Net decrease in unrealised appreciation on securities allocated from Master Funds	(11,149,939)	(2,445,883)
Net increase in net assets resulting from operations	33,887,144	36,375,963
Capital share transactions		
Issuance of Class C Shares	10,920,013	91,838,761
Dividend declared	(18,084,741)	(17,999,434)
Offering costs	(208,719)	(1,840,444)
Return of value distribution	-	(34,997,045)
Net (decrease) / increase in net assets resulting from capital share transactions	(7,373,447)	37,001,838
Net increase in net assets	26,513,697	73,377,801
Net assets, at 1 January	437,103,428	363,725,627
Net assets, at 31 December	463,617,125	437,103,428

See accompanying Notes to Financial Statements

STATEMENTS OF CASH FLOWS

(Expressed in United States Dollars)	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
	$	$
Cash flows from operating activities		
Net increase in net assets resulting from operations	33,887,144	36,375,963
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by / (used in) operating activities:		
Net investment loss, net realised gain and net decrease in unrealised appreciation on securities allocated from Master Funds	(35,479,721)	(38,916,827)
Sale of investment in CATCo Reinsurance Fund Ltd. - CATCo Diversified Fund	334,580,362	55,200,000
Purchase of investment in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund	(414,700,000)	-
Changes in operating assets and liabilities:		
Advance subscription in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund	88,000,000	(88,000,000)
Other assets	9,868	441
Accrued expenses and other liabilities	56,047	71,728
Net cash provided by / (used in) operating activities	6,353,700	(35,268,695)
Cash flows from financing activities		
Issuance of Class C Shares	10,920,013	91,838,761
Dividend paid	(18,084,741)	(17,999,434)
Offering costs	(208,719)	(1,840,444)
Return of value distribution paid	-	(34,997,045)
Net (used in) / provided by financing activities	(7,373,447)	37,001,838
Net (decrease) / increase in cash and cash equivalents	(1,019,747)	1,733,143
Cash and cash equivalents, at 1 January	1,839,305	106,162
Cash and cash equivalents, at 31 December	819,558	1,839,305

 See accompanying Notes to Financial Statements

(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 fund, registered and incorporated as an exempted mutual fund company in Bermuda on 30 November 2010 and commenced operations on 20 December 2010. The Company was originally organised as a feeder fund to invest substantially all of its assets in CATCo Diversified Fund (the "CATCo Master Fund"). The CATCo Master Fund is a segregated account of 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"). The CATCo Master Fund will establish 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 segregated account of the CATCo Master Fund shall only be available to creditors in respect of that segregated account.

On 10 September 2015, Markel Corporation ("Markel") and CATCo Investment Management Ltd. ("CIML") jointly announced that they had entered into an agreement (the "Acquisition") whereby Markel would acquire substantially all of the assets of CIML.

On 8 December 2015, the Acquisition was completed and substantially all of the assets of CIML were acquired by Markel. As a result of the Acquisition, Markel CATCo Investment Management Ltd. ("MCIM") commenced operation and CIML's management team, led by Chief Executive Officer Anthony Belisle, transitioned into commensurate roles at MCIM and continues to operate the business from its Hamilton, Bermuda headquarters, now under Markel's ultimate ownership.

Pursuant to an investment management agreement, the Company is now being managed by MCIM (the "Investment Manager"), a Bermuda based limited liability company. 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 (see Note 8).

On 8 December 2015, the Investment Manager entered into a Run-Off Services Agreement with CIML, under which the former will provide services relating to the management of the run-off business of CIML.

As a result of the completion of the Acquisition, effective 1 January 2016, the Company conducts substantially all of its investment activities through the Markel CATCo Diversified Fund (the "Master Fund"), a segregated account of Markel CATCo Reinsurance Fund Ltd., instead of the CATCo Master Fund. Meanwhile, the Company will retain an interest in any run-off business of the CATCo Master Fund, overseen by CIML, until such business is liquidated. The Master Fund and the CATCo Master Fund are hereafter referred to as the "Master Funds".

The Company's shares are listed and traded on the Specialist Fund Market ("SFM"), a market operated by the London Stock Exchange. The Company's shares are also listed on the Bermuda Stock Exchange.

The objective of the Master Funds is to give the shareholders the opportunity to participate in the investment returns of various insurance-based instruments, including preference shares through which the Master Funds would be exposed to reinsurance risk, insurance-linked 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"). At 31 December 2016, the Company's ownership is 16% of the Master Fund (31 December 2015: 0%) and 16% of the CATCo Master Fund (31 December 2015: 15%).

The Reinsurer and CATCo-Re Ltd. (the "CATCo Reinsurer"), (together the "Reinsurers") are Bermuda licensed Class 3 reinsurance companies, registered as a 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, winterstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, wildfires, explosions, marine accidents, terrorism, satellite, energy and other perils.

1. Nature of Operations and Summary of Significant Accounting Policies Continued

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 three months or less.

Valuation of Investments in Master Funds
The Company records its investments in the Master Funds at the net asset value as reported by the Master Funds, which is the Company's proportionate interest in the net assets of the Master Funds. The performance of the Company is directly affected by the performance of the Master Funds and is subject to the same risks to which the Master Funds are subject. Valuation of investments held by the Master Funds, including, but not limited to the valuation techniques used and classification within the fair value hierarchy of investments held are discussed as follows:

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

Investments in Securities (Master Funds)

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:

i. the amount of capital invested in such preference shares; plus
ii. the amount of net earned premium (as described below) that has been earned period-to-date for such contract; plus
iii. 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
iv. the amount of any loss estimates associated with potential claims triggering covered events (see "Covered Event Estimates" below); minus
v. 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.

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 is in relation to reinsurance protections ("Protections") purchased by the Master Fund. The Protections are purchased in order to meet the desired level of risk based on the strategy deemed appropriate by the Investment Manager. The premium payment associated with the Protections is fair valued over the duration of the contract. The Protections are valued at nil representing the amount of unamortized paid premium held as at 31 December 2016 (31 December 2015: nil). No claims were recovered in relation to these Protections during 2016 or 2015.

Derivative Financial Instruments

The Master Funds use derivative financial instruments such as industry loss warranties ("ILWs"), which are recorded at fair value as at the reporting date. Realised and unrealised appreciation or depreciation 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 shall be considered earned with respect to computing the Master Funds' net asset value in direct proportion to the percentage of the risk that is deemed to have expired year-to-date. Generally, all premiums, net of acquisition costs, shall be 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.

1. Nature of Operations and Summary of Significant Accounting Policies Continued

Covered Event Estimates

The Investment Manager provides monthly loss estimates for all incurred loss events ("Covered Events") potentially affecting investments relating to a retrocessional reinsurance agreement of the Reinsurers. 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.

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 Funds, in consultation with the Investment Manager, may classify certain Insurance-Linked Instruments as investments in which only persons which 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. Side Pocket Investments are valued in the Statements of Assets and Liabilities at their fair value as determined in good faith by the Board of the Master Funds following consultation with the Investment Manager.

1. Nature of Operations and Summary of Significant Accounting Policies Continued

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 gains and losses and increases and decreases in unrealised appreciation 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 in Bermuda 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 percent 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 2016 and 2015. 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 interest tax-related expense or penalties have been recognised as of and for the years ended 31 December 2016 and 2015.

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 2016 and 2015.

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 as incurred.

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 2016.

Preference Shares - Investments in Markel CATCo Re Ltd.	$ Fair Value	Preference Shares - Investments in Markel CATCo Re Ltd.	$ Fair Value
Class A Preference Shares	27,444,563	Class W Preference Shares	1,478,259
Class B Preference Shares	11,714,124	Class X Preference Shares	1,093,007
Class C Preference Shares	4,217,525	Class Y Preference Shares	5,929,661
Class D Preference Shares	20,768,970	Class Z Preference Shares	2,370,483
Class E Preference Shares	1,456,100	Class BA Preference Shares	793,206
Class F Preference Shares	34,081,333	Class BB Preference Shares	7,151,367
Class G Preference Shares	20,923,116	Class BC Preference Shares	791,816
Class H Preference Shares	6,239,253	Class BD Preference Shares	2,379,027
Class I Preference Shares	22,049,112	Class BE Preference Shares	7,726,069
Class J Preference Shares	6,246,001	Class BF Preference Shares	9,371,882
Class K Preference Shares	2,163,040	Class BM Preference Shares	1,137,365
Class L Preference Shares	9,368,899	Class BN Preference Shares	2,284,789
Class M Preference Shares	3,244,520	Class BO Preference Shares	2,280,551
Class N Preference Shares	4,679,440	Class BP Preference Shares	5,753,082
Class O Preference Shares	5,152,761	Class BQ Preference Shares	6,027,176
Class P Preference Shares	47,467,366	Class BR Preference Shares	1,411,318
Class Q Preference Shares	7,336,796	Class BS Preference Shares	8,922,565
Class R Preference Shares	4,415,684	Class BT Preference Shares	27,215,619
Class S Preference Shares	5,933,215	Class BU Preference Shares	780,567
Class T Preference Shares	8,466,064	Class BV Preference Shares	2,253,634
Class U Preference Shares	3,119,626	Class BW Preference Shares	2,268,713
Class V Preference Shares	5,211,726	Expense Cell Preference Shares	128,019
Total Investments in Markel CATCo Re Ltd.			$ 361,247,409

Preference Shares - Investments in CATCo-Re Ltd.	$ Fair Value	Preference Shares - Investments in CATCo-Re Ltd.	$ Fair Value
Class AE Preferred Shares	1,536,115	Class DF Preferred Shares	373,316
Class AF Preferred Shares	898,753	Class DG Preferred Shares	171,725
Class BF Preferred Shares	705,363	Class DL Preferred Shares	1,455,090
Class BJ Preferred Shares	1,739,074	Class DM Preferred Shares	907,344
Class BW Preferred Shares	582,346	Class DN Preferred Shares	1,042,388
Class CM Preferred Shares	711,384	Class DP Preferred Shares	2,502,853
Class DC Preferred Shares	248,639	Class DV Preferred Shares	567,772
Class DE Preferred Shares	114,245	Class DZ Preferred Shares	332,657
Total Investments in CATCo-Re Ltd.			$ 13,889,064

Investments in Markel CATCo Re Ltd. - Aquilo Re	$ Fair Value	Investments in Markel CATCo Re Ltd. - Aquilo Re	$ Fair Value
Aquilo Re Series AQ002	77,841	Aquilo Re Series AQ004	8,571
Aquilo Re Series AQ003	29,584		
Total Investments in Markel CATCo Re Ltd. - Aquilo Re			$ 115,996
Total Investments in Preference Shares			$ 375,252,469

2. Schedule of the Company's Share of the Investments Held in the Master Funds and Fair Value Measurments Continued

The following table reflects the Company's proportionate share of the fair value of investments in the CATCo Reinsurer held by the CATCo Master Fund at 31 December 2015.

Preference Shares - Investments in CATCo-Re Ltd	**Fair Value $**	**Preference Shares - Investments in CATCo-Re Ltd.**	**Fair Value $**
Class AE Preference Shares	1,223,811	Class DM Preference Shares	4,636,909
Class AF Preference Shares	711,469	Class DN Preference Shares	15,010,496
Class AH Preference Shares	895,303	Class DO Preference Shares	29,617,064
Class BE Preference Shares	673,307	Class DP Preference Shares	15,745,974
Class BF Preference Shares	770,068	Class DQ Preference Shares	2,943,777
Class BJ Preference Shares	1,548,021	Class DR Preference Shares	4,336,655
Class BV Preference Shares	5,263,700	Class DS Preference Shares	44,816,134
Class BW Preference Shares	866,351	Class DU Preference Shares	2,943,540
Class CF Preference Shares	1,420,588	Class DV Preference Shares	7,477,724
Class CG Preference Shares	1,425,306	Class DX Preference Shares	7,366,567
Class CJ Preference Shares	5,706,906	Class DZ Preference Shares	1,775,307
Class CL Preference Shares	2,446,006	Class EA Preference Shares	9,873,258
Class CM Preference Shares	1,158,793	Class EB Preference Shares	1,541,880
Class CY Preference Shares	714,540	Class ED Preference Shares	125,845
Class CZ Preference Shares	8,429,733	Class EF Preference Shares	539,505
Class DA Preference Shares	1,395,503	Class EQ Preference Shares	2,941,917
Class DB Preference Shares	5,597,618	Class ES Preference Shares	5,193,364
Class DC Preference Shares	5,021,051	Class ET Preference Shares	2,210,704
Class DE Preference Shares	1,593,616	Class FL Preference Shares	1,376,670
Class DF Preference Shares	7,534,096	Class FM Preference Shares	363,857
Class DG Preference Shares	2,392,942	Class FN Preference Shares	710,910
Class DH Preference Shares	8,841,186	Class FO Preference Shares	14,124,277
Class DI Preference Shares	3,772,307	Class FP Preference Shares	132,965
Class DJ Preference Shares	19,751,999	Class KK Preference Shares	1,026,955
Class DK Preference Shares	14,738,984	Class W Preference Shares	1,193
Class DL Preference Shares	20,926,012		
Total Investments in CATCo-Re Ltd.			301,652,663
Investments in CATCo-Re Ltd. - Aquilo Re	**Fair Value $**	**Investments in CATCo-Re Ltd. - Aquilo Re**	**Fair Value $**
Aquilo Re Series AQ001	221,134	Aquilo Re Series AQ003	1,141,892
Aquilo Re Series AQ002	2,984,020	Aquilo Re Series AQ004	329,592
Total Investments in CATCo-Re Ltd. - Aquilo Re			4,676,638
Total Investments in Preference Shares			306,329,301

Included within the Company's investment in 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 $85,882,181 (31 December 2015: $42,730,882) as of 31 December 2016.

As of 31 December 2016, the total balance of investments held in the Master Funds of $463,116,346 (31 December 2015: $347,516,987) is net of undeployed cash, performance fee and management fee accruals recorded by the Master Funds.

As at 31 December 2016, Side Pocket Investments represent 10.50% of total investment in the Master Funds (31 December 2015: 7.27%).

2. Schedule of the Company's Share of the Investments Held in the Master Funds and Fair Value Measurments Continued

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 investments as at 31 December 2016 comprised solely of investments in other investment companies, namely 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 2016 (31 December 2015: $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 'from ground-up' losses as reported by Reinsurance clients.

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 2016 and 2015, cash and cash equivalents are held with HSBC Bank Bermuda Ltd. which has a credit rating of A- as issued by Standard & Poor's.

4. CONCENTRATION OF REINSURANCE RISK

The following table illustrates the diversified risk profile of the Reinsurers' portfolio by geography and peril as at 31 December 2016 and 31 December 2015.

Geographic Distribution	2016	2015
1. North America/Caribbean	39%	47%
2. All Other	17%	11%
3. Europe	10%	9%
4. Global Backup Protection	9%	10%
5. Japan	7%	6%
6. Mexico/Central America/ South America	6%	6%
7. Global Marine/Energy/Terrorism/ Aviation/Satellite	6%	7%
8. Australia/New Zealand	4%	4%
9. Asia Excluding Japan	2%	0%

Exposure by Risk Peril	2016	2015
1. Wind	35%	41%
2. Backup Protection	21%	10%
3. Earthquake	21%	21%
4. Any Natural Peril	8%	12%
5. Marine/Energy/Aviation/Satellite	4%	4%
6. Winterstorm/ Wildfire	3%	3%
7. Severe Convective Storm	2%	3%
8. Other	2%	0%
9. Terrorism	2%	3%
10. Flood	2%	2%

5. INVESTMENTS IN MASTER FUNDS, AT FAIR VALUE

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

	31 Dec. 2016	31 Dec. 2015
Investment in Markel CATCo Reinsurance Fund Ltd. - Markel CATCo Diversified Fund, at fair value	$ 446,049,992	$ -
Investment in CATCo Reinsurance Fund Ltd. - CATCo Diversified Fund, at fair value	17,066,354	347,516,987
Investments in Master Funds, at fair value	$ 463,116,346	$ 347,516,987

From 1 January to 31 December 2016, the net investment loss allocated from Master Funds, and the net realised gain and net decrease in unrealised appreciation 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:

	Investment in Master Fund	Investment in CATCo Master Fund	Total
Net investment loss allocated from Master Funds			
Interest	$ 141,428	$ 1,313	$ 142,741
Miscellaneous income	-	11,874	11,874
Management fee	(6,435,246)	(304,472)	(6,739,718)
Performance fee	(3,483,332)	(423,636)	(3,906,968)
Professional fees and other	(270,343)	(42,589)	(312,932)
Administrative fee	(201,816)	(27,417)	(229,233)
Net investment loss allocated from Master Funds	$ (10,249,309)	$ (784,927)	$ (11,034,236)
Net realised gain and net decrease in unrealised appreciation on securities allocated from Master Funds			
Net realised gain on securities (a)	$ 4,672,504	$ 52,991,392	$ 57,663,896
Net decrease in unrealised appreciation on securities (b)	36,926,797	(48,076,736)	(11,149,939)
Net gain on securities allocated from Master Funds	$ 41,599,301	$ 4,914,656	$ 46,513,957

a) Includes gross realized gain on securities of $63,572,316 (2015: $ 61,241,411) and gross realized loss on securities of $5,908,420 (2015: $10,087,298).

b) Includes gross increase in unrealized appreciation on securities of $70,091,133 (2015: $66,132,036) and gross decrease in unrealized appreciation on securities of $81,241,072 (2015: $68,577,919).

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 their own models and historical loss analysis data as well as assessments from counter-parties to estimate the level of reserves required. In addition, the Reinsurers record risk margin to reflect uncertainty surrounding cash flows relating to loss reserves.

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.

During 2016, the Reinsurer paid claims of $50,431,965 (31 December 2015: $Nil) predominantly in relation to the Jubilee Oil Field and Canada Wildfire events. The CATCo Reinsurer paid claims of $32,007,856 (31 December 2015: $77,572,664) predominantly in relation to the Tianjin Explosion and United States Severe Convective Storm events.

7. CAPITAL SHARE TRANSACTIONS

As of 31 December 2016, the Company has authorised share capital of 1,500,000,000 (31 December 2015: 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 2016, the Company has issued 273,224,673 (31 December 2015: 273,224,673) Class 1 ordinary shares (the "Ordinary Shares") and 102,510,018 (31 December 2015: 91,835,018) Class C Shares ("C Shares").

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

31 December 2016

	Beginning shares	Adjustment following Share Capital Consolidation	Share Issuance	Ending Shares	Ending Net Assets	Ending NAV Per Share
Class 1 Ordinary Shares	273,224,673	-	-	273,224,673	$355,855,825	$1.302
Class C Shares	91,835,018	-	10,675,000	102,510,018	$107,761,300	$1.051
					$463,617,125	

31 December 2015

	Beginning Shares	Adjustment following Share Capital Consolidation	Share Issuance	Ending Shares	Ending Net Assets	Ending NAV Per Share
Class 1 Ordinary Shares	303,582,970	(30,358,297)	-	273,224,673	$347,105,110	$1.271
Class C Shares	-	-	91,835,018	91,835,018	$89,998,318	$0.980
					$437,103,428	

The Company has been established as a closed-ended fund and, as such, shareholders do not have the right to redeem their shares. The shares are held in trust by Capita IRG Trustees Limited (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 which have the same rights and characteristics of the shares.

The Board has the ability to issue C Shares 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 C Shares 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 29 January 2016, the Board declared a dividend of $0.06619 per share in respect of the Ordinary Shares with a record date of 12 February 2016 and the ex-dividend date was on 11 February 2016. The dividend was paid to shareholders on 26 February 2016.

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 (see Note 9).

As discussed in Note 1, prior to completion of the Acquisition, the Company was managed by CIML as investment manager pursuant to the Investment Management Agreement dated 16 December 2010.

9. RELATED PARTY TRANSACTIONS

The Investment Manager of the Company is also the Investment Manager of the Master Fund and the Insurance Manager of the Reinsurer. CIML is the Investment Manager of the CATCo Master Fund and the Insurance Manager of the CATCo Reinsurer.

The Investment Manager is entitled to a management fee, calculated and payable monthly in arrears equal to 1/12 of 1.5% of the net asset value of the Company, 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, which holds the entire share capital of the Investment Manager, holds 24.39% (31 December 2015: 27.22%) of the voting rights of the C Shares issued in the Company as of 31 December 2016.

Qatar Insurance Company ("QIC"), which holds the entire share capital of CIML, holds 0% (31 December 2015: 2.51%) of the voting rights of the Ordinary Shares issued in the Company as of 31 December 2016.

In addition, three of the Directors of the Company are also shareholders of the Company.

10. ADMINISTRATIVE FEE

Prime Management Limited, a division of SS&C GlobeOp serves as the Company's administrator (the "Administrator") and performs certain administrative services on behalf of the Company. On 31 October 2016, Prime Management Limited merged with SS&C Fund Services (Bermuda) Ltd., another division of SS&C GlobeOp operating in Bermuda. The combined companies now operate as one single entity under the name of SS&C Fund Services (Bermuda) Ltd., a licensed fund administrator pursuant to the provisions of the Bermuda Investment Funds Act. The Administrator receives a fixed monthly fee.

11. FINANCIAL HIGHLIGHTS

Financial highlights for the years ended 31 December 2016 and 2015 are as follows:

	2016		2015	
	Class 1 Ordinary Shares	Class C Shares	Class 1 Ordinary Shares	Class C Shares
Per share operating performance				
Net asset value, beginning of year	$1.2705	$0.9800	$1.1981	$1.000
Income (loss) from investment operations:				
Net investment loss	(0.0065)	(0.0044)	(0.0127)	-
Performance fee*	(0.0105)	(0.0083)	(0.0156)	-
Management fee	(0.0191)	(0.0153)	(0.0183)	-
Net gain on investments	0.1342	0.0992	0.1783	-
Total from investment operations	0.0981	0.0712	0.1317	-
Dividend	(0.0662)	-	(0.0593)	-
Issuance cost	-	-	-	(0.0200)
Net asset value, end of year	$1.3024	$1.0512	$1.2705	$0.9800
Total net asset value return				
Total net asset value return before performance fee	8.56%	8.12%	12.42%	-
Performance fee*	(0.83)%	(0.85)%	(1.31)%	-
Total net asset value return after performance fee	7.73%^	7.27%	11.11%+	-
Ratios to average net assets				
Expenses other than performance fee	(2.24)%	(2.05)%	2.45%	-
Performance fee*^	(0.88)%	(0.80)%	1.30%	-
Total expenses after performance fee	(3.12)%	(2.85)%	3.75%	-
Net investment loss	(2.84)%	(2.86)%	3.89%	-

+ Adjusting the opening capital to reflect the dividend declared on 5 January 2015, the normalised total return for 2015 is equivalent to 11.58%

^ Adjusting the opening capital to reflect the dividend declared on 29 January 2016, the normalised total return for 2016 is equivalent to 8.12%

* The performance fee is charged in the Master Funds

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 2016 and 2015. The per share amounts and ratios reflect income and expenses allocated from the Master Funds.

12. INDEMNIFICATIONS 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 26 January 2017 the Board declared a final dividend of $0.07180 per share in respect of the Ordinary Shares and $0.05795 per share in respect of the C shares. The record date for these dividends was 3 February 2017 and the ex-dividend date was 2 February 2017. These final dividends were paid to shareholders on 17 February 2017.

Effective 1 February 2017, the Investment Manager released a proportion of the 2014 and 2015 Side Pocket Investments. As a result, the remaining 2014 and 2015 Side Pocket Investments represent approximately 3.7% of the Company's Ordinary Share NAV.

These Financial Statements were approved by the Board and available for issuance on 2 March 2017. Subsequent events have been evaluated through this date.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting of CATCo Reinsurance Opportunities Fund Ltd. (the "Company") will be held at 9.30 am (local time) on 6 April 2017 at the office of Markel CATCo Investment Management Ltd., 10th 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 2016 together with the auditor's report thereon.

2. To approve the directors' remuneration report for the year ended 31 December 2016.

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 (the "Directors") to determine the remuneration of the auditor.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions 8, 9 and 10 as Special Resolutions:

8. THAT, in substitution for any existing authorities, the Directors be and are hereby empowered to allot Ordinary Shares as if, pursuant to Bye-Law 5.6, Bye-Law 5.2 is excluded in respect of any such allotment provided that:

    a) Bye-Law 5.2 is excluded in respect of the allotment of up to an aggregate number of Ordinary Shares as represents 10 percent of the number of Ordinary Shares in issue at the date of the passing of this resolution as a Special Resolution (the "Resolution Date") provided that such number shall be increased on and from the date of Conversion (as defined below) by such number of Ordinary Shares as represents 10 percent of the number of Ordinary Shares into which any C Shares of the class of C Shares in issue as at the date of this notice (including but not limited to any C Shares of such class in issue as at the Resolution Date) have been converted in accordance with Bye-Law 6.12 (the "Conversion") following the Resolution Date;

    b) such exclusion of Bye-Law 5.2 will expire on the date which is 15 months from the date of the passing of this Resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the Resolution Date (unless previously renewed, revoked or varied by the Company by special resolution), except that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares in pursuance of such offer or agreement as if the power conferred hereby had not expired; and

    c) any such allotted Ordinary Shares are issued at a premium to the Net Asset Value per Ordinary Share

9. THAT, in substitution for any existing authorities, the Directors be and are hereby empowered to allot C Shares as if, pursuant to Bye-Law 5.6, Bye-Law 5.2 is excluded in respect of any such allotment provided that:

   a) Bye-Law 5.2 is excluded in respect of the allotment of up to an aggregate number of C Shares (of the same class of C Shares as is in issue as at the date of this notice) as represents 10 percent of the number of such C Shares in issue at the date of the passing of this resolution as a Special Resolution;

   b) such exclusion of Bye-Law 5.2 will expire on the earliest to occur of:

      i. the date which is 15 months from the date of the passing of this resolution as a Special Resolution;

      ii. at the conclusion of the next annual general meeting of the Company after the passing of this resolution as a Special Resolution; and

      iii. the date on which the C Shares (of the same class of C Shares as is in issue as at the date of this notice) are converted into Ordinary Shares in accordance with Bye-Law 6.12,

      (unless previously renewed, revoked or varied by the Company by special resolution), except that (in the case of i. and ii. above) the Company may before such expiry make an offer or agreement which would or might require C Shares to be allotted after such expiry and the Directors may allot C Shares in pursuance of such offer or agreement as if the power conferred hereby had not expired; and

   c) any such allotted C Shares are issued at a premium to the Net Asset Value per C Share.

10. THAT the Company is pursuant to Bye-Law 3.1 hereby generally and, subject as hereinafter appears, unconditionally authorised to purchase or acquire its Ordinary Shares (each a “Share” and together the “Shares”) in accordance with the Companies Act 1981 (as amended) on such terms and in such manner as the Directors from time to time determine, provided that:

    a) the maximum number of Shares hereby authorised to be purchased is the number representing 10 percent of the Shares in issue as at the date of the passing of this Resolution;

    b) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than the higher of (i) an amount equal to 105 percent of the average market value of the Shares for the five business days immediately preceding the day on which any such purchase is made; and (ii) the higher of the price of the last independent trade and the highest independent bid at the time of the purchase or acquisition of the Shares on the market where the purchase or acquisition is carried out;

    c) the Company may make a contract or contracts to purchase Shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of Shares pursuant to any such contract or contracts notwithstanding such expiry above;

    d) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);

    e) any Shares so purchased shall be cancelled; and

    f) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is revoked, varied or renewed prior to such time.

By order of the Board of Directors

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.

2 March 2017

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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.

1. Holders of Ordinary Shares are entitled to attend and vote at the Annual General Meeting or any adjournment thereof. As at 1 March 2017 (being the last practicable day prior to the publication of this Notice), the Company's issued share capital consists of 273,224,673 Ordinary Shares and 102,510,018 C Shares. Accordingly, the total number of voting rights in the Company is 375,734,691.

FOR INVESTORS WHO DO NOT HOLD DEPOSITORY INTERESTS THROUGH CREST.

2. 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 Capita Asset Services, PXSI, 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 4 April 2017. 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.

3. 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 4 April 2017 or, if the Annual General Meeting is adjourned, members registered in the register of members at close of business (Bermuda time) on the day two 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.

4. 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 Capita Asset Services, PXSI, 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 3 April 2017.

5. Depository Interest Holders wishing to attend the Annual General Meeting should contact the Depository at Capita IRG Trustees Limited, The Registry. 34 Beckenham Road, Beckenham. Kent, BR3 4TU no later than 1.30 p.m. (UK time) on 3 April 2017 or by emailing: custodymgt@capitaregistrars.com.

6. 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.

7. 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.

8. Members 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.

9. 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.

10. 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 Capita Registrars (ID: RA10) by 1:30 p.m. (UK time) on 3 April 2017. 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.

11. 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.

Nigel Barton
Chairman,
CATCo Reinsurance Opportunities Fund Ltd.
2 March 2017

KEY DATES 2017

JANUARY

Deployment of Annual Retrocessional Reinsurance Contracts

FEBRUARY

Annual Dividend Paid

MARCH

Annual Results Announced
Annual Report Issued

APRIL

Annual General Meeting

JUNE

Half-Year End

AUGUST

Interim Results Announced
Interim Report Issued

DECEMBER

Year End

INVESTOR ENQUIRIES

Mark Way
Chief Operating Officer
Tel: +1 441 493 9003
Email: mark.way@markelcatco.com

www.catcoreoppsfund.com

LIST OF PARTIES

DIRECTORS

Nigel Barton
(Chairman)
Alastair Barbour
(Audit Committee Chairman)
James Keyes
(Management Engagement Committee Chairman)
Margaret Gadow
(Non-executive Director)

REGISTERED OFFICE

CATCo Reinsurance Opportunities Fund Ltd.
Crawford House
50 Cedar Avenue
Hamilton HM11
Bermuda
www.catcoreoppsfund.com

MANAGER AND AIFM

Markel CATCo Investment Management Ltd.
10th Floor
141 Front Street
Hamilton HM19
Bermuda

www.markelcatco.com

Authorised and regulated by the Bermuda Monetary Authority

SECRETARY

Compass Administration Services Limited
Crawford House
50 Cedar Avenue
Hamilton HM11
Bermuda

REINSURER

Markel CATCo Re Ltd.
Crawford House
50 Cedar Avenue
Hamilton HM11
Bermuda

ADMINISTRATORS

SS&C GlobeOp
Mechanics Building
12 Church Street
Hamilton HM11
Bermuda

SECURITIES BROKER

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Street
London EC4M 7LT
United Kingdom

DEPOSITORY

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

OFFSHORE REGISTRAR

Capita Registrars (Guernsey) Ltd.
Longue Hougue House
Longue Hougue Lane
St.Sampsons GY2 4JN
Guernsey

TRUSTEE

Bank of New York Mellon
One Wall Street
New York NY 10286
United States of America

AUDITORS

KPMG Audit Limited
Crown House
4 Par-La-Ville Road
Hamilton HM08
Bermuda

UK LAWYERS

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG
United Kingdom

BERMUDA LAWYERS

ASW Law Ltd.
Crawford House
50 Cedar Avenue
Hamilton HM11
Bermuda

THE ASSOCIATION OF INVESTMENT COMPANIES (AIC)

9th Floor
24 Chiswell Street
London EC1Y 4YY
United Kingdom

website: www.theaic.co.uk

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