



15 November 2011

## **CATCo Reinsurance Opportunities Fund Ltd. ("the Company")**

### **Net Asset Value, Interim Dividend announcement and Corporate Governance Update**

**To: SFM, London Stock Exchange and Bermuda Stock Exchange**

#### **Net Asset Value Calculation**

CATCo Investment Management Ltd, as Company Secretary, announces the unaudited net asset values of the Company's Ordinary Shares and C Shares of \$1.123 and \$1.0751, respectively, as at the close of business on 31 October 2011.

#### **Current Portfolio update**

As at the date of this announcement CATCo Reinsurance Opportunities Fund Ltd (the "Company") holds 182,281.74 shares in CATCo Diversified Fund (the "Master Fund") and 19,014.68 shares representing side pocket investments of the Master Fund (issued in relation to the two significant earthquakes that have occurred in the first quarter of 2011 in New Zealand and in Japan)("SP Shares").

The unaudited value of the current portfolio of the Company at 31 October 2011 is US\$232.4 million, of which US\$211.2 million (90.8 per cent.) is attributable to its holding of shares in the Master Fund ("Master Fund Shares") and US\$21.3 million (9.2 per cent.) is attributable to its holding of SP Shares.

#### **Dividend Announcement**

At launch, the Board of the Company indicated the intention to pay an annual dividend in respect of a Fiscal Year of an amount equal to LIBOR plus 5 per cent of the Net Asset Value as at the end of the relevant Fiscal Year.

This intention was extended to holders of C Shares at the time of the issue of C Shares in May this year.

On 6 October 2011 the Board also announced that it is considering fund raising options to take advantage of the current high premium rates. It is currently the Board's intention that share issues pursuant to any new fund raise should not be entitled to any dividend payable in respect of the 2011 year.

The Board is declaring a final dividend of US\$0.051 in respect of the Ordinary Shares and a final dividend of US\$0.051 in respect of the C Shares.

The record date for these dividends will be 2 December 2011 and therefore the Ordinary Shares and the C Shares will go ex-dividend on 30 November 2011. It is expected that these final dividends will be paid to shareholders in March 2012.

For the avoidance of doubt, any shares issued as part of any fund raising noted above will not be eligible for this final dividends.

### **Adoption of Corporate Governance code**

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 AIC and is now classified within the Specialist: Reinsurance Sector.

In conjunction with the AIC Code, the AIC has produced the AIC Guide. 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.

Save as set out below, the Company now complies with the AIC Guide, and in accordance with the AIC Guide will be meeting its obligations in relation to the UK Corporate Governance Code. The Company's corporate governance practices depart from the UK Corporate Governance Code as follows:

There is no chief executive of the Company nor has the Company so far established a separate nominations committee or formal process to assess the performance of the individual Directors. The Board exercises central management and control and is satisfied that any relevant issues can be properly considered by the Directors as a whole;

The Directors are satisfied that the requirement for a formal policy on executive remuneration is not applicable as the Company does not currently employ executive directors: as a result there is no remuneration committee. However the Directors determine the remuneration of non-executive Directors within the limits set out in the Bye-laws and in cognisance of the principles of the UK Corporate Governance Code; and

The Company's audit committee is comprised of all the Directors and is chaired by Mr. Barbour. The audit committee has the remit to meet bi-annually and to consider, inter alia: (i) annual and

interim accounts, (ii) auditor reports and (iii) terms of appointment and remuneration for the Auditors (including overseeing the independence of the Auditors particularly as it relates to the provision of non-audit services).

**Master Fund and Reinsurer update**

CATCO Reinsurance Fund Ltd ("the Master Fund SAC"), the Bermuda segregated accounts company of which the Master Fund is a segregated account, issued 147,505 Master Fund Shares from 20 May 2011 to the date of this announcement. It is expected that the Master Fund SAC will open a new segregated account in January 2012, and that the Reinsurer will open further segregated accounts in relation to such new Master Fund SAC segregated account.

The unaudited net asset value per Master Fund Share of the series held by the Company as at 31 October 2011 is US\$1.075.

Following further subscription by the Master Fund SAC, the Reinsurer issued 127,535,096 preference shares to the Master Fund SAC from 20 May 2011 to the date of this announcement.

**For further information, please contact:**

Jason Bibb  
CATCo Investment Management Ltd  
Telephone: +1 (441) 531 2227  
Email: jason.bibb@catcoim.com

David Benda / Hugh Jonathan  
Numis Securities Limited  
Telephone: +44 (0) 20 7260 1000

Michael Toyer / John Whiley  
Prime Management Ltd  
Telephone: +1 (441) 295 0329

- ends -