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

Interim Financial Report – For the Six Months Ended 30 June 2013

To: SFM, London Stock Exchange and Bermuda Stock Exchange

Date: 15 August 2013

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.

CHAIRMAN'S STATEMENT

Financial Performance

The net asset value capital return for the first six months of 2013 was 7.90%. The share price capital return was 3.74%, compared to the insurance-linked securities ("ILS") benchmark total return of 3.47%. The NAV Total Returns Since Inception of Shares to 30 June 2013 of the Ordinary Shares issued on 20 December 2010, C Shares issued on 20 May 2011 and C Shares issued on 16 December 2011 respectively were 10.50%, 28.94% and 15.87%. In addition, there was a positive foreign exchange attribution for sterling investors which amounted to a further 6.81% capital return for the period.

Dividend

Following Shareholder approval at the Company Annual General Meeting held on 20 March 2013, the Board of Directors confirmed a final dividend of $0.05006 in respect of the Ordinary Shares which was paid to Shareholders on 27 March 2013.

Review

Since 1 January 2013, through a disciplined Board approved underwriting plan and process, the Managers have created a 2013 investment portfolio that has been de-risked year on year. With increased geographic exposures and risk pillars compared to previous years the investment portfolio, subject to no losses throughout the current year, has an expected net return to investors of 28%.

According to Guy Carpenter, one of the largest reinsurance brokers in the world, the "CATCo" products have generated a c.20% market share of the retrocessional sector, and have a clear brand recognition within the market place. This is very satisfying amidst a changeable retrocessional environment, and in only three years of existence.

During the period there was continued interest in the catastrophe reinsurance sectors from institutional investors, driven by low expected returns in corporate and government bond markets. As a consequence, institutional investors, pension funds, family office trusts, endowments and life insurers continued to allocate additional capital to ILS and collateralised reinsurance ahead of the June and July reinsurance renewals, in order to gain exposure to a new uncorrelated alternative asset class. ILS pricing for certain types of products and reinsurance renewals have therefore fallen significantly, in some cases by 25-35%, due to an oversupply of capital in the sector.

For buyers of reinsurance, this broader access to ILS and collateralised markets, along with stronger support from traditional reinsurers, has provided them with the ability to manage their catastrophe risks at multiple year terms inside their cost of equity capital.

However, in respect to the buying of retrocessional reinsurance, the picture has been less acute. In this specialist sector of reinsurance, it is the strength of relationships and continuity which remain so highly valued by cedants. The market reputation for CATCo's products has meant that this recent oversupply of capital in the sector has had little or no effect on CATCo-Re Ltd, the Company's reinsurance company, or its ability to retain or win new business..

2013 Catastrophe Activity

Following two years of above-average catastrophe loss activity, 2013's global insured losses to date are below the last ten-year average. Catastrophe events have resulted in approximately USD20 billion insured losses for 2013 compared to a half-year average of approximately USD22.8 billion over the prior ten years.

During the period, there have been two notable catastrophic events: the Oklahoma tornados in the US; and the South Eastern European floods, which both occurred in May 2013. At the date of this report, based on the counterparty information available, neither event has had any impact to the Company's current portfolio.

Update on Historical Catastrophic Activity

The US loss information service PCS has kept its fourth loss estimate for Superstorm Sandy stable at $18.75bn, which remains short of the $20bn mark at which significant industry loss warranty (ILW) capacity could be triggered.

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However PCS, whose normal policy is to close files when it has produced two consecutive stable loss estimates for a disaster, has left its file on Superstorm Sandy open, in view of the unique characteristics of the storm. The existing retrocessional reinsurance loss reserve provision that is included in the Company's Net Asset Value calculation is based on an insured industry loss of $20 billion. The Board of Directors remains of the opinion that there is no need to amend the existing retrocessional reinsurance loss reserve provision that is currently in place.

Impact of Side Pocket Investments

The current retrocessional reinsurance side pocket exposure, included in the Net Asset Value calculation, at 30 June 2013 equates to 7.34% of shareholder funds.

Regulatory Changes

During the period under review, the Board has reviewed carefully the impact of current and impending regulatory changes. Notable among these are the imminent application of FATCA rules in Bermuda and the implementation of the European AIFM Directive.

In relation to the former, the Bermudan Government is in the process of finalising a Model 2 Inter-Governmental Agreement with the United States. It has also recently announced its commitment to sign a similar agreement in relation to the wider G5 initiative on multilateral automatic exchange, the impact of which the Company will only be able fully to assess once finalised. However, the Board believes that the impact of FATCA on mutual fund companies such as CATCo should be manageable.

Regarding the latter, the deadline by which EU member states were required to transpose the European AIFM Directive into national law passed recently, and a co-operation agreement between the Bermudan Government with Europe has only recently been signed which allows the Company to continue to be marketed in the EU under the existing applicable private placement regimes. The Board is therefore currently assessing the implications for the Company but is confident that any changes required can be made in a way which minimises their impact on CATCo's operations.

Outlook

The Company's financial performance during the first half of the year has been very satisfactory as we are approaching US hurricane season.

To date, no global catastrophic events during 2013 have caused the necessary levels of damage required to have an impact on the portfolio. Assuming a hypothetical basis of no losses for the second half of 2013, the Company is on course to deliver a shareholder net return of 28%.

The 2013 portfolio demonstrates one of the Company's core strengths; the quality and expertise of its management and underwriting team. Combined with the Company's unique ability to provide clients with the foundations for their annual retrocessional reinsurance needs, this proves that CATCo continues to be a valued retrocessional partner to many of the industry's reinsurance companies.

The Board strongly believes that offering tailor-made reinsurance solutions to meet clients' needs enables the Company both to continue to perform strongly and to consolidate further its position in the retrocessional reinsurance market.

Nigel Barton
Chairman
15 August 2013

DIRECTORS' REPORT

Risks and Uncertainties

The Board of Directors has identified a number of key risks that affect the Company's business. The principal risks are:

Reinsurance Risk
The objective of the Company and of the Master Fund is to give its 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 preferred shares of the Reinsurer, CATCo-Re Ltd. The Master Fund spreads investment risk by seeking exposure to multiple non-correlated risk categories so as to endeavour to limit the amount of capital at risk with respect to a single catastrophic event. The Company's Annual Report 2012, at page 17, explains in detail how the Company and the Master Fund ensure that appropriate diversification is achieved.

Risks related to the Company's investment activities
These risks 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 outlined above. Operational disruption, accounting and legal risks are also covered annually, and regulatory compliance is reviewed at each Board meeting.

In the view of the Board, there have not been any changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Disclosure and Transactions with the Investment Manager

The Investment Manager is regarded as a related party and details of the management fees payable are set out in the unaudited Statement of Operations and note 6.

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.

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk issued in October 2009, the Board of Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's assets consist of cash and a diverse portfolio of retrocessional reinsurance investments 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. Accordingly, the Directors continue to adopt the going concern basis in preparing these accounts.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

1. The condensed set of financial statements contained within the Half-Yearly Financial Report has been prepared in accordance with the applicable accounting standards.

2. The Chairman's Statement, the Financial Highlights and the notes to the unaudited financial statements provide a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and rule 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transaction described in the last annual report that could do so.)

CATCo Reinsurance Opportunities Fund Ltd.

The Half-Yearly Financial Report was approved by the Board on 15 August 2013 and the above responsibility statement was signed on its behalf by the Chairman.

Nigel Barton
For and on behalf of the Board
15 August 2013

UNAUDITED STATEMENTS OF ASSETS AND LIABILITIES

(Expressed in United States Dollars)	**30 June 2013**	**30 June 2012**	**31 December 2012**
	$	$	$
Assets			
Investment in CATCo Reinsurance Fund Ltd.- CATCo Diversified Fund, at fair value	361,235,811	356,966,811	353,330,814
Cash and cash equivalents	918,464	1,197,126	710,727
Other assets	36,543	55,364	25,403
Total assets	362,190,818	358,219,301	354,066,944
Liabilities			
Accrued expenses and other liabilities	154,368	295,922	253,439
Management fee payable	1,001	1,196	603
Total liabilities	155,369	297,118	254,042
Net assets	362,035,449	357,922,183	353,812,902

See accompanying notes

Reinsurance Opportunities Fund Ltd.

UNAUDITED STATEMENTS OF OPERATIONS

(Expressed in United States Dollars)	**Six months to 30 June 2013**	**Six months to 30 June 2012**	**Year ended 31 December 2012**
	$	$	$
Net investment loss allocated from CATCo Reinsurance Fund Ltd. - CATCo Diversified Fund			
Interest	11,670	-	5,030
Performance fee	(3,043,583)	(1,708,594)	-
Management fee	(2,641,665)	(2,602,795)	(5,413,680)
Professional fees and other	(155,352)	(106,672)	(241,542)
Administrative fee	(113,597)	(165,898)	(340,305)
Miscellaneous expenses	(17,778)	(14,601)	(24,415)
Total net investment loss allocated from CATCo Reinsurance Fund Ltd. – CATCo Diversified Fund	(5,960,305)	(4,598,560)	(6,014,912)
Company expenses			
Professional fees and other	(632,658)	(321,638)	(762,379)
Administrative fee	(27,000)	(27,000)	(54,000)
Management fee	(8,135)	(8,358)	(13,901)
Total Company expenses	(667,793)	(356,996)	(830,280)
Net investment loss	(6,628,098)	(4,955,556)	(6,845,192)

Net realised and net change in unrealised gain on securities allocated from CATCo Reinsurance Fund Ltd. – CATCo Diversified Fund			
Net realised gain on securities	17,581,186	19,425,984	18,490,351
Net change in unrealised gain on securities	15,784,117	3,657,943	2,373,931
Net gain on investments	33,365,303	23,083,927	20,864,282
Net increase in net assets resulting from operations	26,737,205	18,128,371	14,019,090

See accompanying notes

CATCo Reinsurance Opportunities Fund Ltd.

UNAUDITED STATEMENTS OF CHANGES IN NET ASSETS

(Expressed in United States Dollars)	**Six months to 30 June 2013**	**Six months to 30 June 2012**	**Year ended 31 December 2012**
	$	$	$
Operations			
Net investment loss	(6,628,098)	(4,955,556)	(6,845,192)
Net realised gain on securities	17,581,186	19,425,984	18,490,351
Net change in unrealised gain on securities	15,784,117	3,657,943	2,373,931
Net increase in net assets resulting from operations	26,737,205	18,128,371	14,019,090
Capital share transactions			
Dividend paid	(18,514,658)	-	-
Transfer of Class 2 - C Shares	-	-	(276,563,190)
Transfer to Class 1 - Ordinary Shares	-	-	276,563,190
Net change in net assets resulting from capital share transactions	(18,514,658)	-	-
Net change in net assets	8,222,547	18,128,371	14,019,090
Net assets, beginning of period	353,812,902	339,793,812	339,793,812
Net assets, end of period	362,035,449	357,922,183	353,812,902

See accompanying notes

CATCo
Reinsurance Opportunities Fund Ltd.

UNAUDITED STATEMENTS OF CASH FLOWS

(Expressed in United States Dollars)	Six months to 30 June 2013	Six months to 30 June 2012	Year ended 31 December 2012
	$	$	$
Cash flows from operating activities			
Net increase in net assets resulting from operations	26,737,205	18,128,371	14,019,090
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 change in unrealised gain on securities allocated from CATCo Reinsurance Fund Ltd. – CATCo Diversified Fund	(27,404,998)	(18,485,367)	(14,849,370)
Changes in operating assets and liabilities:			
Sale (Purchase) of investment in CATCo Reinsurance Fund Ltd.- CATCo Diversified Fund	19,500,000	(110,500,000)	(110,500,000)
Other assets	(11,140)	(48,104)	(18,143)
Accrued expenses and other liabilities	(99,070)	(160,936)	(203,419)
Management fee payable	398	(70,988)	(71,581)
Net cash provided by (used in) operating activities	18,722,395	(111,137,024)	(111,623,423)
Cash flows from financing activities			

Proceeds from issuance of shares	-	-	-
Dividends paid	(18,514,658)	(10,859,876)	(10,859,876)
Offering costs	-	-	-
Net cash used in financing activities	(18,514,658)	(10,859,876)	(10,859,876)
Net change in cash	207,737	(121,996,900)	(122,483,299)
Cash, beginning of period	710,727	123,194,026	123,194,026
Cash, end of period	918,464	1,197,126	710,727

See accompanying notes

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 organised as a feeder fund to invest substantially all of its assets in CATCo Diversified Fund (the "Master Fund"). The 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 Master Fund will establish a separate account for each class of shares comprised in each segregated account (each, an "Account"). Each Account is a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective and policies and overseen by the Investment Manager. Pursuant to an investment management agreement, the Company is managed by CATCo Investment Management Ltd. (the "Investment Manager"). Refer to the Company's prospectus for more information.

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 following the Secondary Listing on 20 May 2011.

The objective of the Master Fund is to give the shareholders the opportunity to participate in the investment returns of various insurance-based instruments, including preferred shares through which the Master Fund would be exposed to reinsurance risk, insurance-linked securities (such as notes, swaps and other derivatives), and other financial instruments. All of the Master Fund's exposure to reinsurance risk is obtained through its investment (via preferred shares) in CATCo-Re Ltd. (the "Reinsurer").

The Reinsurer is a Bermuda licensed Class 3 reinsurance company, registered as a segregated accounts company under the SAC Act, through which the Master Fund accesses all of its reinsurance risk exposure. The Reinsurer will form a segregated account that corresponds solely to the Master Fund's investment in the Reinsurer with respect to each particular reinsurance agreement.

The Reinsurer focuses primarily on property catastrophe insurance and may be exposed to losses arising from hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions, marine accidents and other perils.

Basis of Presentation

The unaudited 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 ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

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 Investment in Master Fund

The Company records its investment in the Master Fund at fair value based upon an estimate made by the Investment Manager, in good faith and in consultation or coordination with the Administrator 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 transaction.

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 statement of assets and liabilities.

Investment Transactions and Related Investment Income and Expense

The Company records its proportionate share of the Master Fund's income, expenses, and realised and changes in unrealised gains and losses on a monthly basis. In addition, the Company incurs and accrues its own income and expenses.

Investment transactions of the Master Fund 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 is 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 statement 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 (loss) on investments in the statement of operations.

Income Taxes

Under the laws of Bermuda, the Company is generally not subject to income taxes, until 31 March 2035. 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 30 June 2013. 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 expense or penalties have been recognised as of and for the period ended 30 June 2013.

Generally, the Company is subject to income tax examinations by major taxing authorities for all tax years since its inception.

The Company may be subject to potential examination by U.S. 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 U.S. federal or foreign tax laws.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the financial statements and accompany notes. Actual results could differ from those estimates.

Offering costs

The costs associated with each capital raise are expensed as incurred.

2. Concentration of Credit Risk

In the normal course of business, the Company maintains its cash balances 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 30 June 2013 cash is held with HSBC Bank Bermuda Ltd. which has a credit rating of A+.

3. Loss Reserves

The reserve for unpaid losses and loss expenses recorded by the Reinsurer includes estimates for losses incurred but not reported as well as losses pending settlement.

The Reinsurer makes 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 Reinsurer obtains and uses assessments from counterparties as a baseline, incorporating its own models and historical data regarding loss development, to determine the level of reserves required.

Future adjustments to the amounts recorded as of period-end, resulting from the continual review process, as well as differences between estimates and ultimate settlements, will be reflected in the Reinsurer's statement 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.

In the six months to 30 June 2013, the Reinsurer paid claims of $36,270,377 pertaining to the Christchurch earthquake in February 2011 and Hurricane Sandy in October 2012.

4. Capital Share Transactions

As of 30 June 2013, the Company has authorised capital stock of 500,000,000 unclassified shares of par value $0.0001 per share.

The Company had an initial placing which closed on 20 December 2010 raising $80,392,000 through the issuance of 80,392,000 Ordinary Shares. On 31 March 2011 a further $7,358,750 was raised through an additional issuance of 7,250,000 Ordinary Shares. The Company had a further placing opening on 18 May 2011 resulting in $124,446,737 being raised through the issuance of 124,446,737 C Shares on 20 May 2011 and $850,000 being raised through the issuance of 850,000 C Shares on 23 May 2011. A further $125,000,000 was raised through an additional issuance of 118,821,292 C Shares on 16 December 2011.

As of 30 June 2013, the Company has issued 369,849,337 Class 1 Ordinary Shares.

Transactions in Shares during the period, and the Shares outstanding and the net asset value ("NAV") per Share as of 30 June 2013 is as follows:

	Beginning Shares	Shares Issued	Shares Redeemed	Ending Shares
Class 1 - Ordinary shares	369,849,337	-	-	369,849,337

	Beginning Net Assets	Amounts Issued	Amounts Redeemed	Ending Net Assets	Ending NAV Per Share
Class 1 - Ordinary shares	$ 353,812,902	$ -	$ -	$362,035,449	$0.9789

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 of Directors of the Company (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 pockets 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 2 August 2012 the Board of the Company announced that it has declared a distribution (the "Distribution") to Ordinary Shareholders of any proceeds it receives in connection with that part of its investment in the Master Fund which is exposed to potential losses arising from the Master Fund's investment in reinsurance contracts linked to the NZ and Japan Exposures.

The Distribution, if any, will be made to Ordinary Shareholders on its register of members on 10 August 2012 (the "Record Date") pro rata to the number of Ordinary Shares held on the Record Date, as soon as practicable following receipt of any proceeds from the Master Fund.

On 8 August 2012 the Board announced that the Master Fund in which the Company invests has closed its side pocket associated with the NZ and Japan Exposures. As described in the Prospectus, this triggered the conversion of C Shares into Ordinary Shares. The conversion of 244,118,029 C Shares into 282,207,337 Ordinary Shares was effective close of business 10 August 2012 with the admission for the new Ordinary shares effective 13 August 2012.

On 9 January 2013, the Board of Directors declared a final dividend of $0.05006 in respect of the Ordinary Shares with a record date of 18 January 2013. This final dividend was paid to shareholders on 27 March 2013.

5. Investment Management Agreement

Pursuant to the Investment Management Agreement dated 16 December 2010, 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.

6. Related Party Transactions

The Investment Manager of the Company is also the Investment Manager of the Master Fund and the 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 Fund Shares as at the last calendar day of each calendar month. Performance fees are charged in the Master Fund.

Qatar Insurance Company, an affiliate of the Investment Manager, holds 7.44% of voting rights of the Ordinary Shares issued in the Company. In addition, the Directors of the Company are also Shareholders of the Company.

7. Administrative Fee

Prime Management Limited (the "Administrator") serves as the Company's Administrator and performs certain administrative and clerical services on behalf of the Company. For the provision of the service under the Administration Agreement, the Administrator receives a fixed fee.

8. Financial Highlights

Financial highlights for the Ordinary Shares for the period 1 January 2013 to 30 June 2013 are:

	Class 1 Ordinary Shares
	United States Dollar
Per share operating performance	
Net asset value, beginning of period	0.9566
Offering costs	-
Income (loss) from investment operations:	
Net investment loss	(0.0205)
Net gain on investments	0.0929
Total from investment operations	0.0724
Premium	-
Dividend	(0.0501)
Net asset value, end of period	0.9789
Total net asset value return	
Total net asset value return before performance fee	8.42%
Performance fee*	(0.86)%
Total net asset value return after performance fee	7.56%
Ratio to average net assets	
Expenses other than performance fee	(1.31)%
Performance fee*	(0.87)%
Total expenses after performance fee	2.18%
Net investment loss	(2.15)%

The ratios to weighted average net assets are calculated for each Class of Share 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 period ended 30 June 2013 and have not been annualised.

* The performance fee is charged in the Master Fund.

9. 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.

10. Subsequent events

The unaudited financial statements were approved by management and Board of Directors and available for issuance on 15 August 2013. Subsequent events have been evaluated through this date.

For further information, please contact:

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- Ends -