

CATCo Reinsurance Opportunities Fund Ltd. (“the Company”)

Portfolio Update

To: SFM, London Stock Exchange and
Bermuda Stock Exchange

Date: 25 January 2016

Highlights

- The FY15 net asset value (“NAV”) return was 11.58%, outperforming the Eureka Hedge Insurance Linked Securities Advisors Index of 4.27%
- Side pockets set up at 31 December 2015 amount to approximately 5.5% of Ordinary Share NAV with a significant proportion of this amount related to the late December 2015 UK flooding event. This event is not expected to result in loss payments diluting the value of these side-pockets
- The late December UK flooding and US tornado events also necessitated the need for a conservative reserving approach at year-end, which adversely impacted the NAV by 175 bps. However, the expectation is that a significant proportion of this reserve will be released during 2016
- There are no remaining side pockets associated with calendar years prior to 2014 as Superstorm Sandy has now been fully commuted during Q4 2015 resulting in approximately a 1% increase to the FY15 NAV
- The side pockets related to 2014’s US convective storms have reduced to c. 1.5% from the 3.5% established at 31 December 2014
- Increased demand for Markel CATCo Re Ltd (the “Reinsurer”) products has led to 100% of available capital deployed at 1 January 2016
- FY16 portfolio provides for an indicative net return of c. 16% on invested capital with a lower risk portfolio versus FY15’s portfolio
- Average risk of FY16 portfolio down c. 20% on FY15’s portfolio
- Maximum capital exposed to a worst case single event is not more than 10%
- The FY2015 dividend will be announced on 29 January 2016

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