



## KEY INFORMATION AT 31 MARCH 2020

<b>Fund NAV (USD)</b>	<b>\$307.4m</b>
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	Ordinary Shares	2017 C Shares
NAV per Share	\$0.2669	\$0.5161
Share Price per Share	\$0.1900	\$0.3600
Monthly NAV performance per Share	0.00%	(0.07)%
Premium/(Discount) to NAV per Share	(28.81)%	(30.25)%

## MANAGER'S UPDATE

### Overview of Investments

The following table outlines the investments held by the Ordinary Shares and C Shares respectively as at 31 March 2020\*:

	Value per Share	Total Value (\$m)	Investments % of Share NAV
<b>Ordinary Shares NAV</b>			
Cash	\$0.02	\$6.6	8.08%
SPI 2016	\$0.03	\$9.2	11.25%
SPI 2017	\$0.08	\$24.7	30.30%
SPI 2018	\$0.07	\$19.9	24.39%
SPI 2019	\$0.07	\$21.2	25.98%
<b>C Shares NAV</b>			
Cash	\$0.06	\$27.8	12.30%
SPI 2018	\$0.25	\$110.5	48.96%
SPI 2019	\$0.21	\$87.4	38.74%

\* Includes the Compulsory Partial Redemption amounts announced by the Company on the 9th and 17th of April 2020

The Investment Manager is currently working to release capital from Side Pocket Investments ("SPIs") in a timely manner. The return of capital to the Company is subject to the approval of the Bermuda Monetary Authority and driven by the contractual arrangements with cedents who will typically release capital that is held in a SPI on the earlier of: (i) the capital no longer being needed to cover potential losses (in accordance with the terms of the relevant reinsurance contract); or (ii) upon settlement commutation (the negotiation of which will begin no later than 36 months after the end of the risk period, as per the Offering Memorandum).

### Capital Return to Shareholders

The Company's portfolios have been in "run-off" since 26 March 2019 and it has distributed to Shareholders substantially all of the redemption proceeds it has received during such period by way of a "reverse" tender offer in September 2019, a subsequent share buyback programme during Q4 2019, and, since April 2020, an ongoing programme of compulsory share redemptions.

The Company has returned c. \$130.9m of capital to investors in the following ways:

Form of Return	Payment Date/ Period	Ordinary Shares (\$m)	C Shares (\$m)	Total (\$m)
Dividend	25 Feb 2019	10.4	24.3	34.7
Tender Offer	23 Sep 2019	15.3	28.0	43.3
Interim Dividend	1 Nov 2019	4.0	11.9	15.9
Share Buyback	Oct - Dec 2019	1.9	5.9	7.7
Compulsory Partial Redemption 1	24 & 30 Apr 2020	5.3	24.0	29.3**
<b>Total Capital Return***</b>		<b>36.9</b>	<b>94.1</b>	<b>130.9</b>

\*\* Capital returned to the Company for distribution on 24 April 2020 and 30 April 2020 to shareholders on record 20 April 2020. This amount is inclusive of Liquidation 2019 return of capital as disclosed in the February 2020 Insight Release.

\*\*\* Since February 2019

**Upcoming SPI Capital Release**

As announced by the Company on 17 April 2020, the Investment Manager anticipates a further release of SPI capital of approximately \$18.8 million which is expected to be paid to the Company during May 2020, and which the Company intends to use to carry out a second compulsory partial redemption of its issued share capital. The Company will issue further details of the expected timetable for this second compulsory redemption as it becomes available.

The breakdown of the anticipated May 2020 SPI release is as follows:

	Total Value (\$m)	Investment % of SPI
<b>Ordinary Shares</b>		
SPI 2016	\$1.57	17.1%
SPI 2018	\$1.10	5.6%
SPI 2019	\$1.95	9.2%
<b>C Shares</b>		
SPI 2018	\$6.14	5.6%
SPI 2019	\$8.05	9.2%

**California Bankruptcy Court and the PG&E Proposed Settlement (at 23 April 2020)**

The Investment Manager continues to monitor developments in the California Bankruptcy Court with the assistance of external counsel. The information contained in this section is a summary of publicly available information and further detailed information regarding the PG&E chapter 11 case can be found on <https://restructuring.primeclerk.com/pg/>.

In particular, external counsel continues to monitor the developments in the California Bankruptcy Court closely. As previously reported, PG&E has agreed to and the Bankruptcy Court has approved settlements with several of its principal constituents including: (i) an \$11 billion settlement with the Ad Hoc Subrogation Group (the "Subrogation Settlement"); (ii) a \$13.5 billion settlement with the Tort Claimants' Committee and a number of individual fire victims (the "TCC Settlement"); and (iii) a settlement with the Ad Hoc Noteholder Committee that will reduce the Debtors' cost of long-term borrowing by \$1 billion (the "Noteholder Settlement").

In filings before the Bankruptcy Court, PG&E has asserted that the claims associated with the Subrogation Settlement (defined as claims relating to the 2017 North fires and 2018 Camp fire) were estimated to be greater than \$20 billion and the settlement amount represents an approximate 55% recovery on an aggregate basis. However, such distributions are subject to various allocations based upon the applicable fire that was the source of the claim and, because the fire allocation percentages have not been disclosed, there is uncertainty with regards to the allocation of recoveries across the insurance sector.

PG&E must confirm a plan of reorganization (i) in order for these settlements to go effective and (ii) for creditors to receive any distributions. PG&E filed an amended plan (the "Amended Plan") incorporating these settlements and a disclosure statement (as supplemented by the disclosure statement supplement, the "Disclosure Statement") that, among other things, describes the provisions of the Amended Plan. The Disclosure Statement was approved by the Bankruptcy Court and PG&E is now authorized to use the Disclosure Statement to solicit acceptances with respect to those of its creditor and equity stakeholders who are entitled to vote on the Amended Plan. Although the plan confirmation process appears to be on track, the TCC has recently alleged that PG&E is in breach of the TCC Settlement and that because of developments related to COVID-19 and changes made to the Amended Plan that may affect the share value, the TCC is not required to support the Amended Plan. It is unclear whether the TCC and PG&E will resolve this dispute or if it will have any effect on the vote solicitation process, which is due to close on 15 May 2020.

PG&E has also obtained Bankruptcy Court approval for its proposed exit financing and has resolved objections to the Amended Plan by California Governor Newsom by agreeing to certain safety provisions and filing a motion for a contingency process should the Plan not be confirmed or go effective in accordance with AB 1054 (the "Contingency Motion"). The Contingency Motion, which was approved by the Bankruptcy Court, provides for a sale in the event PG&E is unable to confirm the Amended Plan by 30 June 2020. On 20 April 2020, the CPUC issued a proposed decision approving PG&E's amended plan with modifications aimed at enhancing safety. The proposed decision must be heard and voted on by the CPUC commissioners and has no legal effect until such a vote occurs, which is expected to be scheduled for the CPUC's 21 May 2020 meeting. A hearing on confirmation of PG&E's Amended Plan is scheduled for 27 May 2020. PG&E has emphasized that they are confident of entry of a confirmation order in time to meet the AB 1054 deadline of 30 June 2020 and do not intend to trigger any provisions of the Contingency Motion.

## FUND PROFILE

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

The Investment Manager announced on 25 July 2019 that it will cease accepting new investments in Markel CATCo Reinsurance Fund Ltd ("MCRF") and will not write any new business going forward through the Reinsurer. The Investment Manager has commenced the orderly run-off of the Reinsurer's existing portfolio, which is expected to take at least three years. As part of this run-off, MCRF will return capital to its investors, including the Company.

Launch Date	20 December 2010
Portfolio Run-off	30 June 2019
Commencement Date	
Domicile	Bermuda
Listing	London and Bermuda Stock Exchanges
Structure	Closed Ended Investment Company
Reporting	Monthly NAVs, Unaudited Interim and Annual Audit
Financial Year-end	31 December
High Water Mark	Yes
Directors	James Keyes (Chairman) Arthur Jones Margaret Gadow
Bloomberg Ticker Ordinary Shares	CAT.LN
Bloomberg Ticker C Shares	CATC.LN

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*Authorised and Regulated by the Bermuda Monetary Authority*



The Company's Monthly Insight can be downloaded from: [www.catcoreoppsfund.com](http://www.catcoreoppsfund.com)

Please contact Markel CATCo Investment Management Ltd. if you would like to receive this update each month by e-mail.

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### Important Information:

Markel Corporation acquired the majority of the assets of CATCo Investment Management Ltd. on 8 December 2015. As a result, a new investment management company was formed, Markel CATCo Investment Management Ltd (the "Investment Manager") which, from 8 December 2015, began managing the investments of CATCo Reinsurance Opportunities Fund Ltd.

This newsletter has been prepared by the Investment Manager of the Company, solely to provide additional information to the shareholders of the Company as a whole and should not be relied on by any other party or for any other purpose.

This newsletter represents the Investment Manager's current views and opinions, which are subject to change without notice. The Investment Manager makes no representation or warranty and does not accept any responsibility in relation to such information or for opinion or conclusion which the reader may draw from the newsletter. This report was prepared using financial information contained in the Company's books and records as of the reporting date. This information is believed to be accurate but has not been audited by a third party. This report describes past performance, which may not be indicative of future results. This update contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and the Manager's actions to differ materially from those expressed or implied in the forward-looking statements.

Due to various risks and uncertainties, including, without limitation, the outcome of the inquiries by the United States Department of Justice, the United States Securities and Exchange Commission, and the Bermuda Monetary Authority (as noted in the press releases issued by Markel Corporation on 6 December 2018 and 7 March 2019 and the related announcements by the Investment Manager on 7 December 2018 and 8 March 2019) the ability to maintain and raise capital and claims submitted for any covered event exceeding estimates, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statement.

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