



Best Execution Disclosure
2021



INTRODUCTION

Validus Risk Management Limited (“Validus”) is required to take all sufficient steps to obtain the best possible results (“**Best Execution**”) on a consistent basis on behalf of its clients when executing orders taking into account the execution factors (“**Direct Execution**”).

Validus is required to act in accordance with the best interests of its clients when transmitting or placing orders with other entities for execution that result from decisions to deal, and to take all sufficient steps to obtain the best possible result for the client taking into account the execution factors (“**Indirect Execution**”).

This document constitutes Validus’s best execution policy and procedures (the “**Policy**”). It sets out the policy and procedures of Validus that have been established and implemented to ensure sound, transparent and comprehensive execution processes are followed and specifies the controls and safeguards that are in place.

Validus conducts its business in accordance with all applicable laws and regulations, including the requirements of Conduct of Business Rules (“**COBS**”) 11.2A “Best Execution” of the FCA Handbook.

Validus must act in the best interests of its clients when executing decisions to deal, taking into account a number of execution factors and criteria which are discussed in detail below.

Validus’s senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest. Validus’s senior management are also responsible for the on-going review and monitoring of this Policy, to ensure that it remains robust and fit for purpose, taking into account, amongst other things, changes to market structures and execution practices and development of new products.

ORDER EXECUTION

Validus’s client base includes Alternative Fund Managers, Corporates and other Institutional Investors. The primary purpose of trade execution is implementation of a hedging program to mitigate financial market risk. This typically involves trading over-the-counter (OTC) derivatives.

EXECUTION CRITERIA

Validus is required to determine the relative importance of the Execution Factors for its clients by taking into account the following criteria:

- The characteristics of the client, including the categorisation of the client;
- The characteristics and nature of the client order;
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues/brokers to which that order can be directed (the “**Execution Criteria**”).
- Client Objectives
- Market Impact
- Clarity of execution

EXECUTION FACTORS

When executing orders, Validus will take all sufficient steps to achieve Best Execution, subject to and taking into account, any specific instructions from the client, the nature of such orders, the priorities its clients’ place upon it in filling those orders and the nature of the markets and products in question.

In order to deliver Best Execution, Validus uses its knowledge, experience and judgement to execute trades on behalf of its clients taking into consideration a number of execution factors including:

- The price that the order can be executed at;

- The costs of execution of the transaction to the client;
- The speed of execution of the transaction;
- The likelihood of achieving execution and settlement;
- The size and nature of the order
- Ongoing relationships with counterparties
- Any other consideration relevant to the execution of the specific order (the “**Execution Factors**”).

DECISIONS TO COMPLETE A TRADE

Consideration is given to the nature of an order to make an assessment whether there is value in competing a trade. Competing a trade is the act of requesting pricing from two or more banks, and letting them know it's in competition, to ensure that the price will be the best price available from the client's counterparties.

Validus does not have any conflicts of interest, close links or common ownership with any execution venue used to execute orders. Neither does it have any specific arrangements with any execution venue regarding payments, discounts, rebates or non-monetary benefits.

QUANTITATIVE EXPLANATION:

Due to the niche market Validus operates in we have not provided a breakdown of execution venues regarding our MiFID activity as we consider this a trade secrets.