

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Fwd: New Preferred

Date: Mon, 06 Jun 2016 15:06:01 +0000

Attachments: red_VRPFD_Jun2016.pdf

Validus Holdings, Ltd.

We are a provider of reinsurance and insurance, conducting our operations worldwide through four operating segments: Validus Re, Talbot, Western World and AlphaCat. Validus Re is a Bermuda-based reinsurance segment focused on treaty reinsurance. Talbot is a specialty insurance segment, primarily operating within the Lloyd's insurance market through Syndicate 1183. Western World is a U.S.-based specialty excess and surplus lines insurance segment operating within the U.S. commercial market. AlphaCat is a Bermuda-based investment adviser, managing capital for third parties and the Company in insurance linked securities and other investments in property catastrophe reinsurance.

We seek to establish ourselves as a leader in the global insurance and reinsurance markets. Our principal operating objective is to use our capital efficiently by underwriting primarily short-tail insurance and reinsurance contracts with superior risk and return characteristics. Our primary underwriting objective is to construct a portfolio of short-tail insurance and reinsurance contracts that maximizes our return on equity subject to prudent risk constraints on the amount of capital we expose to any single event. We manage our risks through a variety of means, including contract terms, portfolio selection, diversification criteria, including geographic diversification criteria, and proprietary and commercially available third-party vendor catastrophe models.

Richard Kahn
HBRK Associates Inc.

[REDACTED]

Begin forwarded message:

From: "Pollard, James S" <[REDACTED]>

Subject: New Preferred

Date: June 6, 2016 at 11:03:27 AM EDT

To: "Richard Kahn ([REDACTED])" <[REDACTED]>

Cc: "Minsky, Julie" <[REDACTED]>

Rich,

Details below and prospectus attached.

Issuer:	Validus Holdings, Ltd. (VR) Non-Cumulative Preference Shares, Series A
PRICE TALK:	• 5.875% - 6.00% AREA

	<ul style="list-style-type: none"> • Price talk subject to change, dependent on demand. Deal could potentially price below the initial price talk. Any changes in price talk should be communicated to clients.
Expected Ratings:	Ba1 (positive outlook) / BBB- (stable outlook) / BBB (stable outlook) No HYDCARD or HYDFAA forms necessary.
Maturity:	Perpetual
Optional Redemption:	<ul style="list-style-type: none"> • Callable on or after xx/xx/21 @ \$25, or earlier upon the occurrence of a "tax event" or "capital disqualification event". • Callable prior to xx/xx/21 @ \$26 upon the occurrence of certain events. • SEE THE PROSPECTUS FOR ADDITIONAL DETAILS.
Distributions:	<ul style="list-style-type: none"> • Non-cumulative • Quarterly pay (March, June, September, December). • First coupon xx/xx/16 (long first coupon)
Expected Taxation:	<ul style="list-style-type: none"> • QDI: Yes* • DRD: No • If, as is intended, the Series A Preference Shares are approved for listing on the NYSE, dividends received by individuals and other non-corporate United States Persons on the Series A Preference Shares should constitute qualified dividend income that is subject to U.S. federal income tax at the rate applicable for long-term capital gains, provided that certain holding period requirements and other conditions are met. • There is a risk that dividends, if any, paid prior to the listing of the Series A Preference Shares on the NYSE may not constitute qualified dividend income. • Dividends paid on the Series A Preference Shares to U.S. corporate shareholders will not be eligible for the dividends-received deduction. • SEE PROSPECTUS FOR ADDITIONAL DETAILS
Listing:	NYSE Expected to list within 30 days after offering Expected symbol: VR PrA
Size of Offering:	<ul style="list-style-type: none"> • Announced Size: 4mm shares • Final Size: xxmm shares
Expected Settlement Date:	TBD (Expected settle: T+5)
Par Amount:	\$25 par

Best,

Jim

James S. Pollard
Registered Analyst

Team Darrah | Merrill Lynch Wealth Management

[Team Darrah Website](#)

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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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