Vantage Risk Ltd.

Financial Condition Report

For the Year Ended December 31, 2021

Table of Contents

OVERVIEW

Vantage Risk Ltd. ("Vantage Risk" or the "Company") was incorporated under the laws of Bermuda on July28, 2020. The Company is a wholly owned subsidiary of Vantage Group Holdings Ltd. ("Vantage Holdings" or the "Vantage Group" when referring to the collective group of Vantage Holdings and its subsidiaries including the Company).

Vantage Risk is licensed under the Bermuda Insurance Act 1978, as amended, to write general business as a Class 4 insurer as of October 19, 2020. The Company was capitalized with equity capital provided by its parent, Vantage Holdings, during the fourth quarter of 2020. Vantage Risk began writing property and casualty ("P&C") insurance and reinsurance business commencing January 1, 2021. Vantage Risk is rated "A-" (Excellent) by A.M. Best as of December 3, 2021.

This Financial Condition Report relates to the Company for the financial year ended December 31, 2021. Financial information is prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Amounts are expressed in thousands of United States Dollars, except for ratio information.

1. BUSINESS AND PERFORMANCE

1.1 Name of the Insurer

Vantage Risk Ltd.
30 Woodbourne Ave, 4th Floor
Pembroke HM 08
Bermuda

1.2 Supervisors

Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton
Bermuda

Vantage Group does not currently have a group supervisor but may become subject to group regulation in the future.

1.3 Approved Auditor

PricewaterhouseCoopers Ltd. (Bermuda)
Washington House, 4th Floor
16 Church Street
Hamilton HM11
Bermuda

1.4 Ownership Details

Vantage Risk is a wholly owned subsidiary of Vantage Holdings. Vantage Holdings is a holding company headquartered in Bermuda. The Vantage Group is a privately held specialty insurance and reinsurance group established in 2020 to meet the increasing demands of re/insurance clients in select lines of business. Funds managed by The Carlyle Group ("Carlyle") and Hellman & Friedman ("H&F") are lead investors in Vantage Group. Carlyle and H&F each own approximately 48% of the common shares of Vantage Holdings. The remaining shares are owned by a number of smaller investors, including members of management.

1.5 Group Structure Chart

Please see Group Structure Chart attached as Exhibit A.

1.6 (Re)Insurance Business Written

The Company commenced writing business on January 1, 2021. The Company currently offers reinsurance and insurance products on a worldwide basis. Reinsurance products include Property Catastrophe Reinsurance; Specialty Reinsurance (Marine, Energy, Aerospace, Composite, Workers' Compensation); Financial Lines, including Credit and Mortgage; and Emerging Risks, including Crop, Property Per Risk and Proportional and Flood. The Company's insurance offerings include Excess Casualty, Financial Institutions, Professional Lines and Healthcare.

The table below illustrates our gross written premium by product:

Property Catastrophe	$ 164,604
Property	67,176
Aviation	18,982
Credit	2,947
Energy Offshore-Marine	28,812
US Casualty	14,615
US Professional	4,856
US Specialty	794
International Casualty – Non Motor	41,323
Retro Property	43,415
Total	$ 387,524

The table below illustrates our gross written premium by underwriting risk location:

United States	$ 230,494
United Kingdom	32,852
European Union	28,979
Worldwide*	95,199
Total	$ 387,524

* - represents policies that provide global coverage

1.7 Investment Performance and Material Income and Expenses

1.7.1 Investment Performance

The Company's investment strategy focuses on investment grade fixed income assets with a duration appropriate to the (re)insurance liability portfolio duration.

Asset Class	Cost or Amortized Cost	Fair Value
U.S. Government Treasury Bonds	$82,512	$82,497
U.S. Corporate Bonds	281,394	278,666
U.S. Agency Debentures	195,629	192,122
Foreign Government Bonds	15,085	15,011
ABS	52,281	52,196
Municipal Bonds	26,933	26,530
Bond Mutual Fund	27,811	27,714
Total Fixed Income Securities	**$681,645**	**$674,736**
Total short-term Investments	**$5,078**	**$5,022**
Total Investments	**$686,723**	**$679,758**

Gross investment income for the period ended December 31, 2021 is as follows:

Asset Class	
Fixed income securities	$ 4,341
Short-term investment securities	31
Total	**$4,372**

1.7.2 Material Income and Expense

The Company first began writing business effective January 1, 2021. The Company derives its revenues primarily from premiums on (re)insurance policies, net of any reinsurance or retrocessional coverage purchased. The Company's material expenses are attributable to claims payments, acquisition costs and operational expenses.

1.8 Other Material Information

The Company has no other material information to report.

2. GOVERNANCE STRUCTURE

2.1 Board and Senior Executives

2.1.1 Structure of the Board, Roles and Responsibilities and Segregation of these Responsibilities

The fundamental responsibility of the Board of Directors of the Company (the “Board”) is to exercise its business judgment in what it reasonably believes to be the best interests of the Company and its shareholders. The Board of Directors, by itself or through its Committees:

i. Reviews and approves appropriate strategies, policies and business plans for the Company,
ii. Provides oversight for the Company’s framework for risk management and systems for internal control over financial reporting and disclosure,
iii. Establishes corporate governance standards for the Company,
iv. Monitors and provides oversight regarding the following functions and operational areas: Investments, Internal Audit, Compliance, Outsourcing, Actuarial and Underwriting, and
v. Ensures the Company is managed with integrity and that it complies with legal and regulatory requirements, including those of the BMA and any other relevant regulatory authority.

The Company’s Board of Directors as of December 31, 2021:

Name	Position	
Greg Hendrick	Chairman	Non-Executive (Affiliate)
Chris McKeown	Director	Non-Executive (Affiliate)
Laurie Orchard	Director	Executive
Aurora Swithenbank	Director	Non-Executive (Affiliate)
Peta White	Director	Executive

The Company’s Officers:

Name	Position
Peta White	President
Mark Booth	Chief Risk Officer
Laurie Orchard	Chief Operating Officer
Roderick Romeo	Chief Financial Officer
Appleby Global Corporate Services (Bermuda)	Company Secretary

2.1.2 Remuneration

Vantage Risk’s compensation philosophy is designed to attract and retain the highest quality talent in the (re)insurance industry and to create long-term alignment of interests with other key stakeholders in Vantage Risk including policyholders, regulators, and shareholders.

The compensation plan is designed to reward employees for achieving performance goals in a way that is consistent with the Company’s approach to active risk management. In line with industry standards, compensation includes a) fixed pay components, b) variable salary components, c) contributions to savings and retirement plans and d) benefits.

The Board members do not receive separate remuneration for this role.

2.1.3 Supplementary Pension/Early Retirement Schemes

Employees of the Company are offered the opportunity to participate in various savings and retirement plans, with the specific plan in which an employee participates being based on certain eligibility criteria. The Company contributes to such employees' accounts as well in the form of a matching contribution.

2.1.4 Material Transactions with Shareholder Controllers

There are no material transactions between the Company and shareholder controllers, persons who exercise significant influence, the Board or senior executives.

2.2 Fitness and Proprietary Requirements

2.2.1 Fit and Proper Process

Vantage Risk's directors and employees are assessed for their fitness and propriety prior to or at the time of appointment. An assessment includes a review of the person's professional experience, skills and qualifications relevant to their appointment and a background check consistent with Vantage's standard employment screening practices, which includes screening against sanctions, politically exposed persons ("PEPs") and watch/blacklists. Directors and senior executives are subject to enhanced procedures to assess and verify that their professional experience, skills and qualifications are appropriately matched to their proposed role. Directors and senior officers will be re-assessed periodically to ensure that they remain fit and proper for their roles. Additionally, all employees and directors are subject to and must adhere to Vantage Group's Code of Conduct. Employees and directors are required to attest to their compliance with the Code of Conduct annually.

2.2.2 Board and Senior Executives Qualifications

Board of Directors.

Greg Hendrick, Chief Executive Officer of Vantage Group. Greg brings to Vantage nearly 35 years of extensive leadership and hands-on reinsurance underwriting experience. Greg was previously with numerous XL Group companies for 25 years and served in various roles, including Chief Executive of Reinsurance, Chief Executive of Insurance, President of its P&C Insurance and Reinsurance businesses, and culminated as CEO of AXA XL. He began his career at AIG and later served as a VP in reinsurance underwriting at Winterthur Re.

Chris McKeown, Chief Executive of Reinsurance, ILS and Innovation of Vantage Group. Chris has over 35 years of experience in underwriting, portfolio construction, alternative capital management and applied analytics. He is the former CEO of New Ocean Capital Management, an ILS manager affiliated with XL Capital. Prior roles include CEO of CIG Re & New Castle Re, CEO of ACE Tempest Re (Bermuda), and Vice Chairman and CEO of Global Analytics for Guy Carpenter.

Aurora Swithenbank, Chief Financial Officer of Vantage Group. Aurora spent over 20 years at Goldman Sachs, where she was most recently a Partner in the Investment Banking Division heading the insurance business within the Americas Financing Group. Aurora has broad finance experience in the insurance sector including ratings advisory, equity and debt capital raising, ILS structuring and execution, and strategic advisory based in New York and London.

Laurie Orchard, Senior Vice President of Vantage Group. Laurie has over 25 years of experience in the insurance, reinsurance and asset management sectors in Bermuda. She held progressively senior roles at each of Stockton Re, Commercial Risk Reinsurance Company, RenaissanceRe, XL Re and XL Group. She is the former Chairman of the Bermuda Insurance Institute and the former President of the Bermuda CPCU Society.

Peta White, President of Vantage Risk. Peta has over 25 years of experience in the (re)insurance industry. Before joining Vantage Risk in January 2021, she most recently served as Co-Head of Reinsurance Operations and Head of North American Property Underwriting at Markel Re. Prior experience includes progressively senior positions at Alterra, Max Re, and Ace Tempest Re.

Senior Executives.

Peta White, President – see biography above.

Mark Booth, PhD, Chief Risk Officer. Mark has over 15 years of (re)insurance experience in many facets of reinsurance underwriting and property catastrophe analytics including active portfolio management and optimization. Prior to joining Vantage Risk in March 2021, he held positions of Head of Property Reinsurance Underwriting at Mt. Logan Re from 2014 to 2021, Head of Catastrophe Risk Management at Aspen Bermuda from 2007 to 2014, and Senior Modeling Analyst at Axis Reinsurance from 2006 to 2007. Mark earned a Bachelor of Science degree from UC Irvine, followed by a Master of Science degree and PhD in Biomedical Engineering from Boston University.

Laurie Orchard, Chief Operating Officer – see biography above.

Roderick (Roddy) Romeo, Chief Financial Officer, Reinsurance. Roddy is a Bermudian qualified accountant with over 20 years of accounting experience principally in leadership roles in the (re)insurance industry. Roddy joined Vantage Risk in September 2021. He was most recently Chief Financial Officer of Arch Reinsurance Ltd. from October 2018 to April 2021 after serving in a series of progressively more senior roles with Arch since 2013. Prior experience includes various finance roles at Aeolus Re and XL Bermuda.

2.3 Risk Management and Solvency Self-Assessment

2.3.1 Risk Management Process and Procedures to Identify, Measure, Manage and Report on Risk Exposures

In accordance with international best practices and consistent with the BMA Insurance Code of Conduct, Vantage Risk has developed a Risk Register to identify, assess and monitor key risks. As of the end of this reporting period, Vantage Risk is continuing to develop and refine the Company's risk management framework and build out its Risk Register. The Chief Risk Officer is leading this effort and the risk management framework is being integrated into the Company's enterprise-wide operations.

The risk management framework is designed to:

i. Establish acceptable risk levels approved by the Board which are monitored and reviewed at least on an annual basis to ensure appropriateness for the size and complexity of the business.

ii. Identify all material risks, both financial and non-financial, including on-and off- balance sheet items and emerging risks.

iii. Assess the potential impact of all material risks, including those risks affecting capital requirements and capital management, short-term and long-term liquidity requirements, reinsurance contract obligations, and operational strategies and objectives.

iv. Develop policies and strategies to effectively monitor, manage, mitigate and report all material risks.

v. Establish principles by which Vantage Risk can evaluate the risk/reward trade-offs associated with key strategic and tactical decisions.

vi. Ensure return on capital goals are met through the efficient use and allocation of capital.

In particular, the accumulation of catastrophe risk is specifically monitored across all lines of business, as catastrophic risk is a significant source of risk to the Company. Catastrophe risk is monitored and managed at both the Company and Group level. Industry standard analytical tools, together with bespoke tools, support the monitoring and measurement of overall risk levels and facilitate the Company's management of total risk exposure and risk aggregation. Underwriting Guidelines address limits and types of risk to be written that are exposed to catastrophe events as well as other risk limits.

In addition, the business planning process incorporates a forward-looking projection of the risk, capital and solvency profile of the Vantage Group and their profiles. As part of this process, exposure to catastrophic events ("PMLs"), results of various business stress scenarios, and a forward-looking analysis of market opportunities are regularly reviewed to determine adequacy of capital to support the business plan. The process produces both near-and long-term forecasts for the business with associated risk guidelines and capital requirements to be reviewed and agreed by the Board.

The Board provides oversight on the risk management framework including appropriate business risk monitoring, which will include development of bespoke stress-test scenarios, both by line of business and for the overall accumulation of risk across the portfolio. Stochastic model output, historical simulations, and Realistic Disaster Scenario ("RDS") testing are all methods that are utilized by the Company, as necessary, by line of business.

2.3.2 Implementation of Risk Management and Solvency Self-Assessment Systems

At Vantage Risk, a core tenet is to explore and understand risk more granularly and deeply than most legacy technologies allow. As such, underwriting and risk management systems and processes are closely linked to understand, manage and monitor risk more completely.

The Company will focus on lines of reinsurance where exposures can be quantified and assessed throughdetailed data requests from cedants, and validated through analysis of historical losses, market share statistics, and industry level data. During underwriting, contracts will generally be modeled utilizing experience rating methodologies, available third-party software, and supplemented by proprietary software to be developed by the Company. Exposures will be monitored and included in risk management processes. Risk management will present a formal report summarizing real exposure against tolerance and results of stress testing for the Board and as a part of the annual CISSA filing.

2.3.3 Relationship Between Solvency Self-Assessment, Solvency Needs and Capital and Risk Management

The risk and capital framework is built around a clear understanding of the source and nature of risks faced by the business and consistent with the sound principles adopted by the Company's regulator. Capital requirements and allocation are determined both in the annual business planning stages, as well as monitored for key risks, such as Property Catastrophe risk, on a dynamic, marginal basis, so that additional risk will be added to the portfolio based on overall expected capital requirements on an annual basis.

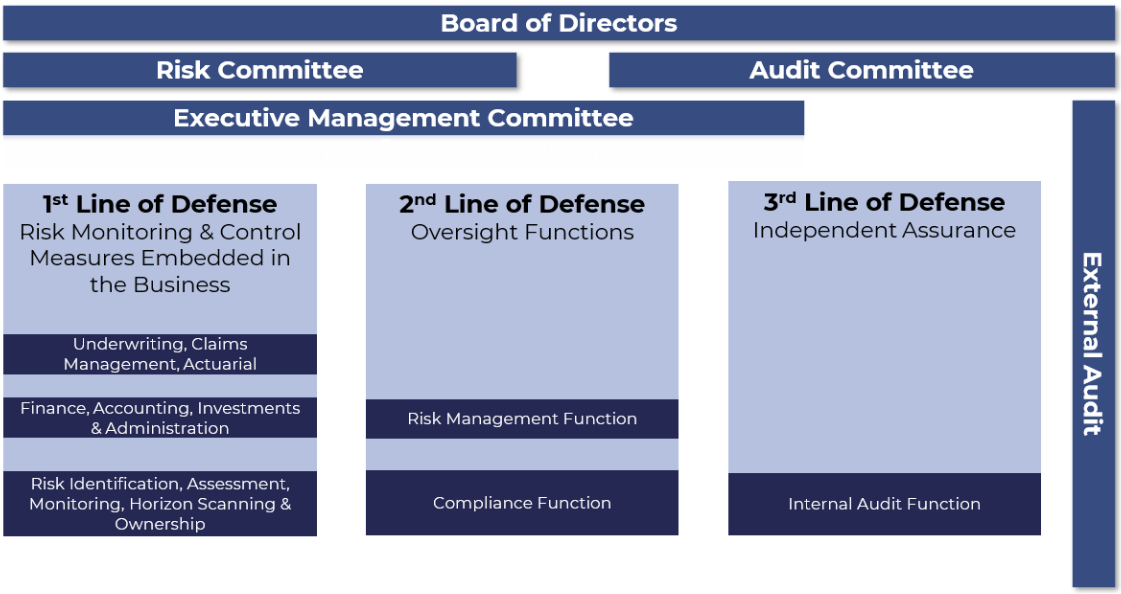
2.3.4 Solvency Self-Assessment Approval Process

Management is responsible for the design, implementation and maintenance of the solvency self-assessment process. The Company's Board oversees the enterprise risk management of the Company and solvency self-assessment process. The Board reviews the CISSA documents and supporting materials prepared by management and ultimately approves the CISSA.

2.4 Internal Controls

2.4.1 Internal Control System

The Company is following an industry-standard 3-lines of defense approach toprovide oversight and assurance of the effectiveness and integrity of the risk management and internal control framework. Management is ultimately responsible for the design and implementation of the internal control system. Vantage Group is developing both entity-specific and process-specific control procedures designed to assist management in protecting the integrity of assets and ensuring efficiency of operations. The control procedures are proportionate to the risks coming from the controlled activities and processes and help ensure any areas of deficiency are identified and managed appropriately. The internal control system consists of control owners who are accountable for specific controls, including implementation of any remedial action that may be identified; periodic reporting and attestation of the effectiveness of such controls; and process assurance through testing undertaken by Internal Audit.



2.4.2 Compliance Function

For 2021, the Company leveraged an outsourced Compliance Officer, who, in conjunction with the Chief Operating Officer, the Group General Counsel, the Insurance Manager and the Human Resources Administrator developed processes to ensure effective employee, vendor and counterparty sanctions screening and reporting, assisted with the development of compliance policies and procedures and oversaw appropriate employee training. Going forward, it is expected that Vantage Group's Legal function will oversee development and implementation of the Company's corporate governance framework with the addition of dedicated compliance resources, as appropriate.

The corporate governance framework is being tailored to the nature, scale and complexity of the Company's business pursuant to a principled, risk-based approach. The compliance program is based upon a periodic risk assessment to identify and manage compliance risk, implementation of policies and procedures to address and mitigate those risks, employee training and communications to ensure that all employees are aware of their compliance responsibilities and ongoing compliance monitoring activities.

2.5 Internal Audit

During 2021, Vantage Group hired a Head of Internal Audit. Vantage Group Board approved the Vantage Group's Internal Audit Charter in December 2021 (the "IA Charter"). The Vantage Group's internal audit team serves as the internal audit function for the Company as well as the other operating entities within the Vantage Group. The purpose of the internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal Audit serves as the third line of defense by providing independent assurance on the adequacy and effectiveness of the systems of internal control, risk management and governance.

The Head of Internal Audit reports functionally to the Vantage Group Board and administratively to the Vantage Group CEO. The Head of Internal Audit is responsible for ensuring that internal audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Head of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to the Vantage Group Board. Internal auditors have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

2.6 Actuarial Function

The Company's actuarial function is responsible for establishing loss reserves to cover the Company's estimated liabilities for payment of all losses and loss expenses incurred under its (re)insurance contracts. The Company also employs pricing actuaries to analyze and establish price adequacy of underwritten risks. In addition, a Loss Reserve Specialist has been appointed to support reserve reviews and the technical provisions of the economic balance sheet.

2.7 Outsourcing

The Company's Board of Directors is responsible for the ultimate supervision and termination of all material outsourcing arrangements. The Board delegates the appointment and management of the outsourcing arrangements to the senior officers, who regularly review performance against expected deliverables and contractual service standards, identifying and reporting potential issues at an early stage.

2.7.1 Outsourcing Policy

Vantage Risk has outsourced certain functions to third parties and has received support from other Group entities during its start-up phase. Some of these functions have been and will continue to be insourced over time as the Company continues its hiring plan and building out its core systems. A few functions, like asset management, will remain largely outsourced over the intermediate to long-term. Key outsourced functions include or will include elements of compliance, asset/investment management, human resource administration, insurance management including finance operations and claims management, loss reserving support in relation to setting of reserves and the technical provision of the economic balance sheet, and technology support.

2.7.2 Material Intra-Group Outsourcing

A number of administrative or support services are provided by Vantage Group or Vantage Services LLC through shared services arrangements. The services provided do not include the exercise of discretion or business judgment relating to the core business functions of the Company. These services include accounting, legal and compliance, tax, internal audit, HR administration and technology support. The Company remains responsible for all substantive decision making as well as supervision of such services.

2.8 Other Material Information

The Company has no other material information to report.

3. RISK PROFILE

3.1 Material Risks

The key risk types that the Company is exposed to in its activities consist of underwriting risk, strategic risk, reserve risk, operational risk, liquidity risk, market and investment risk, and Group risk (including concentration risk). Since the Company began writing business and executing on its business plan as of January 1, 2021, each of these risks has increased over the prior reporting period. The risk management approach focuses on understanding and assessing these risks, enabling an evaluation of possible impacts that informs formulating preparedness and response plans. The following summarizes these risks, and the steps the Company is taking to mitigate them.

3.2 Risk Mitigation

Underwriting Risk – The Company believes that underwriting risk exposed to large catastrophic events is its most significant risk. The Company manages, monitors and mitigates this risk through a variety of mechanisms, including careful underwriting authority management, underwriting guidelines, the use of predictive analytics and models where appropriate, and prudent use of reinsurance, retrocessional and catastrophe bond protections.

Strategic Risk – As a startup, the Company faces heightened risks in executing on its business plan, including exogenous risks surrounding the strategic environment in Bermuda and globally. These risks are elevated in the context of any startup entity, however, the Company has delivered on its strategic build out over the first eighteen months of its existence. We believe this risk is mitigated by an experienced management team that will execute in the core functional areas of Underwriting, Operations, Risk Management, and Claims. The Vantage Group Board and the Vantage Risk Board are each comprised of seasoned industry professionals who provide strategic direction to Vantage Group and Vantage Risk, as applicable, including regular review of the overall operating environment and assistance in navigating an evolving strategic landscape. Vantage Group and Vantage Risk have selected, and monitor on an ongoing basis, highly credible and experienced service providers to augment core functional areas as needed during build out until full-time staff can be recruited. Vantage Group also monitors strategic risk as it grows and implements its business plan.

Reserve Risk - The Company looks to prudently reserve for all known risks applying best practices in the industry. Reserving in recent years has proven difficult even for established companies with a number of large catastrophes subject to significant event loss creep and reserve strengthening across the (re)insurance industry. Further, the industry has experienced meaningful long-tail reserve development due to increasing social inflation. Although the Company is not exposed to those specific events, the Company remains mindful that the current inflationary environment – both social inflation and core CPI inflations - needs to be factored in to its loss reserves. As a new Company, the Company does not have its own historical claim data set from which to draw and establish trends in loss development. As such, we have engaged with third parties to acquire and analyze third-party data. Additionally, our internal actuaries and external actuarial advisers are closely monitoring the inflationary pressures to make sure these factors are reflected in the Company's reserves.

Operational Risk – The Company faces risk of loss arising from internal operational or processing inadequacies. As Vantage Risk engages contractors and service providers to assist during its initial build out, this risk is heightened and senior management must ensure that: external operations adhere to internal risk management and control mechanisms; relevant leadership team members are accountable for providing strict oversight of service providers and contractors, including procedural controls, workflow management, and monitoring of compliance with established internal procedures and processes; robust IT management controls are implemented with a forward-looking approach to identify and manage emerging threats and vulnerabilities; effective human resource management and development practices are maintained to attract and retain qualified talent to meet its growth ambition.

Liquidity & Concentration Risk – This is the risk that the Company will not be able to derive enough liquidity to pay claims in a timely fashion due to outsized exposure to single credits, underwriting accumulating risk to a single counterparty, or other variables which could have a material impact on the Company's solvency position. The Company employs a conservative investment strategy focused on high grade, liquid fixed income assets. There are also strict limits on exposures to any single name credit, industry concentrations and asset type concentrations. This strategy is designed to ensure ample access to liquidity to pay claims if Vantage Risk incurs underwriting losses, including large catastrophic losses. Additionally, underwriting guidelines by line of business describe the Company's appetite for single counterparty exposure that can be assumed on an underwriting basis.

Market Risk and Investment Risk – This risk pertains to risks arising from fluctuations in market factors including credit spreads, interest rates, cross currency rates and other market variables. Market risk has a number of subcomponents based on the investment strategy pursued by Vantage Risk. These are primarily: i) credit risk, ii) interest rate risk and iii) foreign exchange risk.

i. *Credit Risk*. The assets are managed by a top 5 global outsourcing party under the supervision of the Vantage Group CFO. In that regard, no Carlyle nor H&F company is providing investment advice or investment management services to the Company. The Company's investment guidelines and performance are regularly reviewed with the Board. Vantage Risk uses third party credit ratings from the large Nationally Recognized Statistical Ratings Organizations, as identified by the U.S. Securities and Exchange Commission. We also work closely with our third-party asset manager who uses proprietary techniques to assess and monitor credit risks especially in relation to more structured securities. Vantage Risk has strict limits on the exposure to single name counterparties and to industry and asset class sub-sectors. The limits on single names vary, with lower rated counterparties subject to lower limits. All of Vantage Risk's investments must be investment grade at the time of purchase and any assets which migrate to lower ratings while in the portfolio will be monitored and assessed on a case-by-case basis. The investment criteria prohibit investment into reinsurance or P&C insurance related names to limit correlation risk with the core business along with other industry credit exposures such as reinsurance recoverables.

ii. *Interest Rate Risk*. Vantage Risk currently pursues an investment strategy which allows only for USD denominated investment grade fixed income assets with a duration appropriate to the anticipated (re)insurance liability portfolio duration. The Company regularly reviews its exposure to interest rate shocks, both upward and downward. It assesses these shocks in the context of potential liquidity needs associated with events such as a large catastrophic event. Given inflation in the current market, however, management is closely monitoring interest rates and working with its investment manager to manage any impact on the portfolio.

iii. *Foreign Exchange Risk*. The Company writes reinsurance contracts in a variety of currencies, albeit the vast majority of premiums are in USD. In the event of a large catastrophic event occurring simultaneously with a dislocation in FX markets, the Company could realize a higher loss in USD terms than originally modelled.

3.3 Other Material Risks:

Legal Risk – The legal and regulatory landscape continues to evolve and increase in complexity. Accordingly, the Company faces a myriad of legal and regulatory risks in Bermuda and other jurisdictions in which it does business. Vantage Risk relies on a combination of internal and external advisors to help monitor and anticipate changes to the legal and regulatory environment so that it can adapt in a timely manner to any changes in the operating environment. Vantage Risk has adopted and continues to enhance policies, governance practices and operational procedures designed to ensure compliance with applicable legal and regulatory requirements.

Reputational Risk – Trust is a cornerstone of Vantage Risk's business. To the extent that events occur to tarnish Vantage Group's or Vantage Risk's reputation, it could significantly harm Vantage Risk's business prospects. Vantage Group and Vantage Risk seek to operate within its core values with respect to all stakeholders and will implement training and oversight programs to mitigate exposure to reputational risk events. Although not expected, if Vantage Group's shareholders, including Carlyle and H&F, experience adverse issues in the future which impact their reputations, such issues could also tarnish the reputations of Vantage Group and Vantage Risk.

Group Risk – Vantage Risk is part of a broader family of companies which can offer both a source of strength but also introduce exogenous risks. To the extent that one or more of these entities experiences any adverse effects from underwriting, investment, operating, reputational, legal or other risks, the Company could experience perceived or actual negative impact as well. The Company's governance and risk management models endeavor to address contagion risk by deploying control processes along with appropriate governance and risk management frameworks with an eye to ensuring Company solvency and protection of policyholders. There are no intercompany guarantees or reinsurance arrangements which expose Vantage Risk to other Group members.

3.4 Material Risk Concentration

The Company has identified catastrophe exposure within underwriting risk as an area of concentration risk. The Company's Underwriting Guidelines define maximum treaty exposure and single counterparty exposure. The Company also relies on reinsurance recoverables as a method to mitigate the potential impact on balance sheet capital in the event of large catastrophic events. This strategy requires that the credit worthiness of the reinsurers who provide coverage is monitored and the panel of reinsurers is sufficiently diverse so as to avoid single counterparty risk. As of this filing, the Company believes that its reinsurers are able to, and will be able to, meet obligations under our various retrocessional agreements in place.

The Company also monitors and manages concentration within risk categories via various operating guidelines for each functional area. For example, the Company Investment Guidelines sets limits on exposure to single name counterparties and to industry and asset class sub-sectors.

3.5 Investment in Assets in Accordance with the Prudent Person Principle of the Code of Conduct

Vantage Risk has set a conservative investment strategy, as codified in its Investment Management Agreement, with criteria permitting only short duration, investment grade fixed income securities. This strategy has been designed to align with the overall risk appetite of the Company, balancing the need for investment income with the objectives of capital preservation and liquidity management. Since the Company's (re)insurance portfolio has exposure to catastrophic loss, the investment portfolio is designed to provide ample liquidity in the event of a sudden natural catastrophe and to mitigate the risks to surplus from significant market moves including interest rate movements, FX movements, credit spread widening and other market movements.

The portfolio has strict limits on the percentage of exposures to any individual credit, sector, and asset class. Investments that are correlated with Vantage Risk's business are prohibited; for example, this includes a prohibition on investment in bonds of other property casualty insurers or reinsurers.

3.6 Stress Testing

As part of the December 31, 2021 BSCR filing, the Company conducts stress and scenario tests required by the Authority. Based on the latest stress testing results, management of the Company believes that it has sufficient capital and liquidity to comply with its contractual obligations and regulatory requirements upon experiencing losses tested by these scenarios.

The following stress and scenario tests were evaluated according to the specifications of the Authority:

Financial Market Scenarios:	Underwriting Scenarios:	Other Scenarios:
R1 40% decline in equity prices	Mortgage Loan Shock 1	Worst Case Loss
R2 Alt Investments and Real Estate	Mortgage Loan Shock 2	Ratings Downgrade
R3 Extreme US Yield Curve Widening	Northeast Hurricane	Reverse Stress Test
R4 Widening of credit spreads	Carolinas Hurricane	
R5 Combined R1, R2, R3 and R4	Miami-Dade Hurricane	
R6 Foreign currency shocks	Pinellas Hurricane	
R7 Escalation of sovereign risk	Gulf Windstorm (onshore)	
R8 Inflation and Monetary Policy Risk	Los Angeles Earthquake	
	San Francisco Earthquake	
	New Madrid (NM) RDS	
	European Windstorm	
	Japanese Typhoon	
	Japanese Earthquake	
	Aviation Collision	
	Major Cruise Vessel Incident	
	US Oil Spill	
	US Tornadoes	
	Australian Flooding	
	Australian Wildfires	

3.7 Other Material Information

The Company has no other material information to report.

4. SOLVENCY VALUATION

4.1 Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

The Company has adopted the valuation principles outlined by the Authority's "Guidance Note for Statutory Reporting Regime" for the reporting period's statutory filing. The assets and liabilities (other than technical provisions) were assessed and included in the Economic Balance Sheet at fair value in line with the U.S. GAAP principles. The Company invests in short duration fixed income assets which have relatively active secondary markets. The significant economic valuation principles used for our fixed income assets are as follows:

U.S. government and government agency securities – U.S. government and government agencies and authorities securities are priced by the Company's independent pricing service utilizing standard inputs.

Asset-backed securities – valuations provided by independent pricing services, substantially all through index providers and pricing vendors with an immaterial amount through broker-dealers. The fair values of these securities are generally determined through the use of pricing models which use spreads to determine the appropriate average life of the securities. These spreads are generally obtained from the new issue market, secondary trading and from broker-dealers who trade in the relevant security market.

U.S. Corporate securities – valuations provided by independent pricing services, substantially all through index providers and pricing vendors with an immaterial amount through broker-dealers. The fair values of these securities are generally determined using the spread above the risk-free yield curve. These spreads are generally obtained from the new issue market, secondary trading and from broker-dealers who trade in the relevant security market.

Foreign government securities – valuations provided by independent pricing services, with all prices provided through index providers and pricing vendors. The fair values of these securities are generally based on international indices or valuation models which include daily observed yield curves, cross-currency basis index spreads and country credit spreads.

Municipal securities – valuations provided by independent pricing services, with all prices provided through index providers and pricing vendors. The fair values of these securities are generally determined using spreads obtained from broker dealers who trade in the relevant security market, trade prices and the new issue market.

Short term investments - valuations provided by independent pricing services, generally determined using the spread above the risk-free yield curve.

4.2 Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

Insurance technical provisions for the Company are valued based on best-estimate cash flows, adjusted to reflect the time value of money using the discount rate term structure as prescribed by the Authority. In addition, there is a risk margin to reflect the uncertainty inherent in the underlying cash flows. The "loss provision" is calculated using the GAAP reserves as a starting point. The discounted reserve is then calculated using expected payout patterns and the discount rate term structure as prescribed by the Authority. The "premium provision" is calculated using the unearned premium reserve on GAAP basis, adjusting for bound but not incepted business as of December 31, 2021, and applying expected loss and expense ratios and appropriate claims payout patterns to derive cash flows, which are then discounted using the discount rate term structure as prescribed by the Authority. The "Risk Margin" uses a cost-of-capital approach and assumes a risk-free portfolio. Capital requirements are derived for the full period needed to run-off the insurance liabilities and are discounted using the discount rate term structure as prescribed by the Authority.

As of December 31, 2021, the total technical provisions are as follows:

Technical Provision	2021
Loss Provision	$148,329
Premium Provision	40,071
Risk Margin	19,552
Total	**$207,952**

4.3 Description of Recoverables from Reinsurance Contracts

The Company purchases reinsurance to increase capacity and to limit the impact of individual losses and events on its underwriting results by reinsuring certain levels of risk with other insurance enterprises or reinsurers. The Company uses pro rata, excess of loss and facultative reinsurance contracts. Reinsurance recoverable on unpaid losses and loss expenses are estimated in a manner consistent with the associated claim liability. Reinsurance recoverable related to IBNR is generally developed as part of the Company's loss reserving process, therefore, its estimation is subject to similar risks and uncertainties as the estimation of IBNR. In certain instances, the Company obtains collateral, including letters of credit and trust accounts to reduce the credit exposure on its reinsurance recoverables.

4.4 Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities

The Company had $321,313 of liabilities as of December 31, 2021. The Company applied US GAAP for recording the liabilities, including certain leased assets, primarily its office space in Bermuda. As part of the BSCR filing, the Company is required to prepare an economic balance sheet ("EBS"). Other liabilities disclosed on the EBS are fair-valued in accordance with U.S. GAAP principles, except where U.S. GAAP principles do not require an economic valuation. In those cases liabilities have been valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

4.5 Other Material Information

The Company has no other material information to report.

5. CAPITAL MANAGEMENT

5.1 Eligible Capital

5.1.1 Description of the Capital Management Policy and Process to Determine Capital Needs for Business Planning, How Capital is Managed and any Material Changes During the Reporting Period

The goal of the capital management policy is to maintain the Company's capital base at an appropriate level to meet the requirements of our regulators, expectations of rating agencies and ensure that we are able to satisfy obligations to our policyholders. The Company also seeks to allocate capital in the most efficient way possible aiming to deploy capital to areas likely to generate a return.

The Company projects capital requirements out over a three-year planning horizon and develops a capital management plan to ensure that the above objectives are met. Capital and liquidity positions are monitored throughout the year to ensure that minimum capital standards are maintained after taking into account changes in its risk profile. The Company identifies, assesses and manages changes in its risk profile resulting from investment in new business, shifts in investment portfolio, business performance and market conditions, taking into account current circumstances and anticipated circumstance over the three-year planning horizon. Capital planning also considers access or potential access to a number of capital sources which could be used to fund additional capital.

Since 2021 represents the first year that the Company commenced writing business, it also represents the first full year of development and execution of the Company's capital and risk management strategy. Therefore, there are no material changes to report.

5.1.2 Eligible Capital Description and Categorization

Eligible Capital is categorized by tiers in accordance with the Eligible Capital Rules. The Eligible Capital of Vantage Risk was as follows:

Tier	2021	2020
Tier 1 Capital	$620,907	$700,640
Tier 2 Capital		-
Tier 3 Capital		-
Total Capital	$620,907	$700,640

Eligible Capital for the Company as applied to its Minimum Margin of Solvency ("MSM") and Enhanced Capital Requirement ("ECR") was categorized as follows:

	2021		2020	
Tier	**Applied to ECR**	**Applied to MMS**	**Applied to ECR**	**Applied to MMS**
Tier 1 Capital	$620,907	$620,907	$700,640	700,640
Tier 2 Capital			-	
Tier 3 Capital			-	
Total Capital	$620,907	$620,907	$700,640	700,640

5.1.3 Confirmation of Eligible Capital that is Subject to Transitional Arrangements

None.

5.1.4 Encumbrances on Capital

In line with common practice in the reinsurance industry, the Company is required to post collateral to secure its obligations to certain cedents in order to comply with reinsurance contract provisions and/or relevant insurance regulations. In addition, the Company has access to a mix of committed and uncommitted secured credit facilities totaling $153,000, comprised of $53,000 of committed capacity and up to $100,000 of uncommitted capacity. These credit facilities are used to provide security to reinsureds and are fully collateralized by the Company in the aggregate amount of all outstanding letters of credit.

As of December 31, 2021, $57,423 of the $153,000 was in use, requiring $76,041 in collateral.

5.1.5 Ancillary Capital Instruments

The Company has no ancillary capital.

5.1.6 Differences in Shareholder's Equity versus Available Statutory Capital and Surplus

The only difference between US GAAP equity and available surplus has been an adjustment related to prepaid expenses.

5.2 Regulatory Capital Requirements

5.2.1 ECR and MSM Requirements at the End of the Reporting Period

The amount of the ECR and MSM at the end of the reporting period was:

	December 31, 2021	December 31, 2020
Enhanced Capital Requirement	$166,604	$100,000
Minimum Margin of Solvency	$166,604	$100,000

5.2.2 Identification of any Non-Compliance with the MMS and the ECR

The Company was in compliance with ECR and MSM requirements as of December 31, 2021.

5.3 Approved Internal Capital Model

Not applicable.

6. SUBSEQUENT EVENT

In February 2022, military conflict escalated between Russia and Ukraine. Following Russia's invasion of Ukraine, the U.S., the U.K., and the European Union governments, among others, have developed coordinated financial and economic sanctions targeting Russia that, in various ways, constrain transactions with numerous Russian entities, including major Russian banks, and individuals; transactions in Russian sovereign debt; and investment, trade and financing to, from, or in certain regions of Ukraine.

We are monitoring the status of emerging (re)insurance claims related to the conflict. At this time, we are unable to reasonably estimate the possible loss or range of loss, if any, arising from this conflict due to a number of factors, including the presence of complex or novel legal theories, and the ongoing discovery and development of information important to potential claims by (re)insureds.

It is possible that our financial condition, results of operations or cash flows will be materially affected in future periods due to potential claims by (re)insureds.

VANTAGE RISK LTD.

Financial Condition Report Declaration

For the year ended December 31, 2021

We declare that to the best of our knowledge and belief, as of April 29, 2022, the information in this Financial Condition Report fairly represents the financial condition of the company in all respects:

Peta White
President

Mark Booth
Chief Risk Officer

EXHIBIT A – Group Structure Chart

Vantage Group

Structural Schematic as of April 29, 2022