

FROM: Director, Operations EXTN: 6261  
DATE: 20 June 2005 REF: Y3574  
SUBJECT: **Changes To Valuation Method For Funds At Lloyd's**  
SUBJECT AREA(S):  
ATTACHMENTS:

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ACTION POINTS: **Members' Agents and Direct Corporates to Note**  
DEADLINE(S): **Coming-into-Line Valuation July 2005**

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With effect from the Coming-into-Line valuation in July 2005, Lloyd's will be using the "bid" price rather than the current "mid" price to produce Funds at Lloyd's valuations. This is to ensure Lloyd's meets the requirements of the Financial Services Authority rules under PRU 1.3.12 that requires that investments must be "marked to market" – i.e. they should be valued against independent close out prices. Furthermore (1.3.14) the price used must be the "more prudent side of bid/offer price".

Should you have any queries regarding this policy change please contact Paul Appleton, Market Reporting on 0207 327 6433. Any questions on the implementation of these changes should be directed to Karen Oliver, MSU on 01634 392120.

This bulletin is being sent to all members' agents, managing agents, direct corporate members, licensed advisers, recognised accountants and market associations for information.

S M Quiddington  
Director, Operations