

# MARKET BULLETIN

REF: Y4042

**Title** ADDITIONAL SECURITIES LIMITED (ASL) – 2007 Singapore Collection & Distribution

**Purpose** To notify managing agents of the forthcoming 2007 Additional Securities Limited (“ASL”) Singapore deposit collection and distribution exercise due to take place on 27 July 2007.

**Type** Singapore overseas deposit collection and distribution

**From** Keith Coutinho, Market Finance. Telephone: 020 7327 5762

**Date** 18 July 2007

**Action points** Managing Agents to note contents

## EXECUTIVE SUMMARY

The purpose of this bulletin is to notify managing agents of the forthcoming 2007 Additional Securities Limited (“ASL”) Singapore deposit collection and distribution exercise due to take place on 27 July 2007.

Individual syndicate statements are due to be distributed to agents via the Central Accounting system on 18 July 2007.

The overall Singapore deposit requirement has decreased due to reduced Singapore Premium Income written in 2006; however the individual syndicate funding requirements are driven by the business they have undertaken.

## Basis of Apportionment

Each syndicate's deposit requirement will be collected from the appropriate year of account which has given rise to the local funding requirement based on 2006 calendar years premium income data.

## Single Net Adjustment per Syndicate

The actual amount due to be collected will be net of the return of the 2006 deposit principal, plus income earned from 29 March 2006 to 31 May 2007 and foreign exchange gains/losses to 29 June 2007. Accordingly, a single Sterling settlement to/from syndicates' PTFs will be processed via Central Accounting on Thursday 27 July 2007.

A second income distribution for the additional period up until the adjustment date will take place in October.

The term of the new loan will be approximately 12 months with a provisional distribution date of 25 July 2008.

### **ASL Investment and Hedging policy**

Where permitted by local insurance regulations and achievable within local financial markets, ASL's assets are invested in high quality money-market securities of up to 12 months to maturity. However regulators in many jurisdictions require some assets to be invested in longer-term debt instruments, so that the capital value of these assets is affected by movements in local interest rates.

ASL ceased foreign exchange hedging activity in June 2001 and Agents are reminded of this each year prior to the annual funding of ASL. As a result, the sterling value of syndicate assets invested by ASL will fluctuate in line with movements in the currency of investment.

Agents may conclude that hedging is appropriate to the particular circumstances of individual syndicates and are free to arrange appropriate hedging activity on behalf of such syndicates. Lloyd's Treasury Department may be able to assist in completing such hedging arrangements, if required.

### **Syndicate Statements**

Individual syndicate statements will be sent to Managing Agents through the Central Accounting system on 18 July 2007.

Any queries should be directed to Keith Coutinho on 020 7327 5762 or Mat Stone 01634 39 2202 or by sending an email to [KEITH.COUTINHO@LLOYDS.COM](mailto:KEITH.COUTINHO@LLOYDS.COM)

This Market Bulletin has been sent to all Managing Agents.

Keith Coutinho