

MARKET BULLETIN

REF: Y4809

Title	Additional Securities Limited (ASL) - July 2014 loan adjustments
Purpose	To inform Managing Agents of the July 2014 Collection & Distribution Exercise and the 2 nd Income Distribution on 2013 loans due to take place on 28 July 2014
Type	Scheduled
From	Gurdip Sappal Treasury & Investment Management
Date	30 June 2014
Deadline	Queries to be raised by 18 July 2014

Syndicate accountants will receive individual statements via Central Accounting detailing their collection requirements for 2014 and distribution of 2013 loans.

The July adjustments this year will consist of;

- a principle collection and distribution of funds for Singapore, Lloyd's Asia and Cayman Islands;
- a second income distribution on 2013 loans.

2014 Collection

The 2014 collection will take place on the 28 July. The July collection is expected to consist of Singapore, Lloyd's Asia and the Cayman Islands.

2nd period interest and foreign exchange distribution: 2013/14 loans

On 28 April 2014, ASL distributed 2013 loans for Australia, Bahamas, Grenada, Hong Kong, Namibia, St Vincent and Trinidad & Tobago back to syndicates with interest for the period up until 31 December 2013 and foreign exchange movements to 31 March 2014. The 2nd period adjustment includes interest from 1 January 2014 to 28 April 2014 and foreign exchange movements from 1 April to 28 April 2014.

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 2013 calendar years premium income data and claims data as appropriate.

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 (maximum 12 months maturity). However regulators in many jurisdictions require some assets to be invested in longer-term debt instruments, therefore the capital value of these assets are 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 their particular circumstances and are free to arrange appropriate hedging activities on behalf of such syndicates. Lloyd's Treasury & Investment Management, treasuryoperations@lloyds.com, may be able to assist in such hedging arrangements if required.

Syndicate Statements & Settlement

Individual syndicate statements will be sent to managing agents through the Central Accounting system by 16 July 2014 and queries should be raised by close of business 18 July 2014.

A single sterling settlement to/from syndicates' Premium Trust Funds will be processed via Central Accounting on Monday 28 July 2014.

Any queries should be directed to Gurdip Sappal on +44 (0)20 7327 5762 or Matt Stone +44 (0)1634 392202 or by sending an email to Gurdip.Sappal@lloyds.com