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MARKET SERVICES' NEWSLETTER

Welcome to the April 2010 edition of the Market Services' newsletter keeping you updated on events within Market Services.

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1 Market Services' Open Days

Market Services will, again, have a stand at this year's Association of Lloyd's Members (ALM) Annual Conference on 15 June at the Queen Elizabeth II Conference Centre.

This proved extremely successful last year, proving an excellent opportunity to build relationships with members and proactively respond to enquiries.

To build on this event, Market Services will hold two Open Days at Fidentia House in Chatham, the first of which will be on 16 June 2010 to coincide with members travelling to the ALM Conference.

As the first event of its type, there will be a limit of 40 attendees, on a 'first come first served' basis, given limited capacity. Steve Robertson, Head of Market Services said 'we very much look forward to welcoming members to Fidentia House, giving the opportunity for greater engagement and the chance to meet Market Services' staff, emphasising our commitment to members, reflecting our core customer focus'.

Members who wish to attend should contact Lynette Barden on 01634 392607, or at Lynette.Barden@lloyds.com

The date for the second Open Day has yet to be finalised, but will be included in the next Newsletter.

2 Lloyds.com

Members will be aware from the last Market Services' newsletter that we are currently reviewing the information available to members via the Lloyd's website Lloyds.com. It was originally intended that this review would be complete during the first quarter of 2010 with the new micro-site launch at the end of the first quarter. This has not been possible and it is now our aim that the Market Services micro-site will be launched during the second quarter of 2010. Those members who have provided us with email contact details via the Verification of Identity pro forma will receive an email advising them when the site is available to view. All other members will be notified via the next members' newsletter.

I apologise for the delay in making this site available for members, however I am sure you will appreciate that we want to ensure that the information provided is relevant and of use to members rather than launch a partially completed site.

For further information please contact: Jenny Laverty 01634 392320

E-mail jenny.laverty@lloyds.com

3 2010 Projects for Market Services

To continue with Market Services' initiative of continuous improvement we are proposing to introduce the following projects for 2010.

Nominations & Proxy Voting Service

This new service offers a new, fully managed, nominations service that gives shareholders the ability to receive materials (e.g. Annual Reports and accounts, shareholder communication) directly from the companies in which they hold shares with a simple, efficient one-time sign-up process. Members can decide at the time of sign-up if they want to receive materials electronically or via paper. In addition to gaining access to shareholder materials, the service also allows "electronic proxy-voting" for all Funds at Lloyd's (FAL) holdings. Members will be given a secure link to the specified online voting ballot.

Market Services will be contacting members in the next few months to determine the interest in this service and collect the relevant information.

For further information please contact: Karen Oliver 01634 392120

E-mail: karen.oliver@lloyds.com

Streamlining Bank Details

In preparation for the eventual cessation of cheque processing by the banks, and to streamline the static data held by us, we will be requesting members and their third party owners to provide their bank details to us on the following basis;

One nominated bank account per currency held in FAL, these details will cover all payments relating to Release of FAL, dividend, and interest payments in that currency. Full bank details will be requested plus the new requirement of the banks BIC code.

This change will allow Market Services to better police the current Money Laundering Regulations, reducing the validation of numerous sets of bank details each time a new payment is made, minimising the requests for documentation to support the bank accounts that Members wish to use and reducing the service standards for all cash payments.

Market Services will be contacting members in the next few months to collect new bank details at the same time as seeking interest in the above new service.

For further information please contact: Janice Baldwin 01634 392294

E-mail: janice.baldwin@lloyds.com

4 New Trust Deeds and Replacement Broker / Investment Manager Agreements

The December 2009 issue of this newsletter alerted members to the new trust deeds that came into effect in 2010.

In order to assist in the completion of the new deeds, Market Services identified a population of active members that are able to appoint their members' agent as attorney to execute the new deeds on their behalf. This population includes:

- Individual members
- Individual members who have converted to limited liability where the limited liability member is active
- Corporate members (Namecos) where the director/company services are not provided by a service company

Those members eligible to complete a Power of Attorney will have been recently contacted by their members' agent in this respect. Market Services would like to thank those members that have already signed and returned this document to their agent and request those who have yet to do so to complete and return it as soon as possible.

Active LLPs, SLPs and third party funds at Lloyd's providers will be the next population of members to be contacted in respect of the new deeds. These members will be required to execute the deeds themselves and will be provided with the required deeds and further information in respect of their completion in the near future.

Members are reminded that they are not required to take any action until contacted by Market Services or their members' agent. In the meantime, further detailed information on the changes made to the deeds together with copies of the new versions are available on Lloyds.com. Members wishing to view the contents on Lloyds.com should enter 'FAL trust deeds' into the search facility and view the market bulletin and guidance notes available there.

For further information please contact:

Michael Goss 01634 392570

Karen Fox 01634 392368

Email: membership-arrangements@lloyds.com

Lloyd's Forms of Appointment

The completion of the new deeds is taking place alongside the execution of new Master Agreements by brokers and investment managers and the subsequent replacement of existing Investment Management Agreements (IMA) and Lloyd's Forms of Appointment (LFOA). As completed Master Agreements are received from the brokers / investment managers and new Deposit Trust Deeds are signed, we will send replacement LFOA to members for completion by themselves and their nominated brokers / investment managers. Upon receipt of this replacement documentation, the existing LFOA or IMA will be cancelled. Members are reminded that where there is no LFOA in place they are not permitted to trade within their funds at Lloyd's.

For further information please contact:

Claire Sheahan 01634 392904

Chris Loft 01634 392565

Email: operational-support@lloyds.com

5 Verification of Identity

Members will be aware of the Market Services' initiative to enhance our security measures, for the protection of your assets, particularly the verification of your email addresses. Where email addresses had been provided to Market Services, prior to September 2009, members were sent a pre-populated verification form to sign and return as confirmation of that address. This article is to give notice to members that 1 May 2010, any email addresses supplied prior to September 2009 that have not yet been verified by the member, will be removed from Market Services' systems. Those members affected will, therefore, no longer receive information/communication from Market Services electronically, it will revert to hard copy. Market Services staff will only be able to provide electronic data upon receipt of a completed verification form from you. Verification forms are available from Jenny Lavery or Claire Sheahan on 01634 392320 or 01634 392904 respectively.

For further information, please contact: Angela Kerr, 01634 392083

Email: angela.kerr@lloyds.com

6 Members' Cash Interest Rates

A reminder to members that interest earned on cash held within their funds at Lloyd's (FAL) is paid on a semi-annual basis. Interest is accrued as at 31 December and 30 June and paid away in accordance with members' instructions within a week of this date. This process is the same for sterling or other currency payments.

Members who have interest paid directly to their bank accounts will see confirmation of this payment on their bank statements for January and July. Additionally, the amount of the interest payment will be reflected on the cash movement statement (CMS) which is sent to all members during the month. Members whose interest is 'rolled back' into FAL will again have this confirmed on the CMS.

Please note all interest earned on cash held in The Special Reserve Fund must roll back into FAL in accordance with the terms of that fund, and the amount will be confirmed on the CMS.

<u>Currency</u>	<u>Period</u>	<u>Rate</u>
GBP	01/01/2010 – 03/02/2010	0.250%
	04/02/2010 – 31/03/2010	0.375%
US Dollar	01/01/2010 – 12/01/2010	0.250%
	13/01/2010 – 03/02/2010	0.125%
	04/02/2010 – 31/03/2010	0.000%
Euro	01/01/2010 – 12/01/2010	0.250%
	13/01/2010 – 31/03/2010	0.125%
Aus Dollar	01/01/2010 – 31/03/2010	2.000%

July 2010 Payment

The next payment is due to be paid in early July 2010. The period covered will be 01 January 2010 to the 30 June 2010, any payments less than £50/USD50/AUD50/EUR50 will automatically 'roll back' into FAL and CMS will be despatched by the end of July.

Reminder to advise Market Services to any changes to Banking Details

Members are reminded to advise Market Services of any changes they may have made to their bank details as soon as possible. The bank will not in this case do it for you.

Please write to - Operational Support, Market Services, Fidentia House, Walter Burke Way, Chatham Kent ME4 4RN or by email to : operational-support@lloyds.com

When providing these instructions Members should consider the money laundering section of this update:

Money Laundering

The 2007 UK Money Laundering (ML) Regulations implementing the third ML directive came into force on 15 December 2007. These new regulations introduce to firms the concept of Customer Due Diligence which emphasises the need to obtain identification information about its customers. In Market Services case this is you, the Members. As a result of this, with effect from 15 December 2007, any existing Member providing directly to Market Services notification of a change of bank account details, for instance in respect of interest or dividend payments, must provide copy evidence that the bank account and beneficiary account name correspond to that of the Member i.e. provision of a copy paying-in slip. This will apply only to notifications of changes or new account details provided direct to Market Services.

For further information please contact: Janice Baldwin 01634 392294

E-mail: janice.baldwin@lloyds.com

I hope you have found this newsletter informative and if would like to see an article on a particular subject please let me know.

Jenny Laverty

MARKET SERVICES

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