




Argenta Private Capital

Measured Risk at Lloyd's



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Argenta Private Capital Limited (“Argenta”) is a Lloyd’s adviser and Members’ Agent authorised by the UK Financial Services Authority (FSA). We advise both individual and corporate members of Lloyd’s on their underwriting affairs and manage over £1 billion of Lloyd’s underwriting capacity on behalf of our clients.

Since 1688, wealthy individuals have pledged assets to Lloyd’s to share in the fortunes of insurance syndicates while retaining the income and gains on the assets pledged. This “double use” of assets remains the perennial attraction for High Net Worth individuals investing at Lloyd’s and at Argenta we are committed to seeking the optimum balance between risk and reward in pursuit of our clients’ individual investment goals.

Lloyd’s has changed considerably since the creation of Argenta’s founding company 44 years ago. Lloyd’s today is a vibrant, challenging and innovative environment with continuously developing risk management and an expanding global reach. At Argenta, we have consistently demonstrated that we have the expertise and understanding to quickly capitalise on underwriting opportunities by advising our clients appropriately in a rapidly evolving market.

Argenta specialises in creating tailor-made and tax efficient underwriting vehicles for a client base spread throughout the United Kingdom and internationally in North America, Australia, Europe, South East Asia and South Africa.

Attention to detail and personal service are cornerstones of our business and we demonstrate the highest levels of integrity in all our client work.

300 years

Lloyd's has been the world's leading insurance market for over 300 years

£14.8bn

The capacity of the Lloyd's insurance market has increased to £14.8 billion for 2006

93%

93% of FTSE 100 companies and 93% of Dow Jones Industrial Average companies have policies at Lloyd's

44 years

Argenta has been advising Lloyd's investors for over 44 years

£1bn

Argenta manages over £1 billion of capacity at Lloyd's making it the market's second largest capital provider

60%

60% of Argenta clients' capacity supports syndicates within UK Listed Lloyd's Franchisees



Lloyd's structure and operation can appear complex to those unfamiliar with the market and Argenta's principal role is to simplify Lloyd's insurance investments and offer guidance to clients in four key stages.

Portfolio Selection and Acquisition

Upon completion of the Lloyd's admission process, the most important aspect of Argenta's guidance is to advise on the selection of an appropriate portfolio of syndicate participations. Typically, a new investor has to acquire the rights to participate on a portfolio of syndicates during Lloyd's annual auction process. At this stage investors may choose whether to delegate all auction trading to Argenta by participating in a managed portfolio or elect to take a more active interest and bid for individual syndicate participations, assisted by their Argenta adviser.

Argenta has a well established Research Team, whose role is to monitor and report on Lloyd's syndicates as well as the insurance and reinsurance markets in general. They are constantly updating their information and analysis systems, providing valuable data and support to clients. This allows Argenta to provide best advice on syndicate portfolio selection against the background of prevailing trading conditions.

Long Term Management

In the majority of cases, limited company shareholders and partnership members elect to enter into a "Core Services Agreement" with Argenta. This enables us to manage all company secretarial, accounting and other essential corporate tasks on behalf of each vehicle. We have agreements with well-respected professional advisers to ensure that the highest level of expert legal and accounting advice is available to all our corporate clients.

We place great emphasis on continually updating our clients on the performance of their insurance investment. The company website is frequently updated with the latest insurance news and Argenta Client Directors travel worldwide to brief their clients on the latest issues affecting their underwriting affairs.

Success at Lloyd's is driven by a measured assessment of risk and we pride ourselves on carefully considered advice appropriate to the individual needs of our clients.

Areas of expertise

In order to prosper at Lloyd's, it is important to gain the maximum upside in good years and minimise the downside in a softer market. To achieve this requires careful research and innovative investment structures. Argenta excels in these key areas.

Research and portfolio analysis

The quality of Argenta's research is the key to our clients' success. Our Research Team works closely with each client's dedicated adviser to help select the most suitable portfolio of insurance syndicates for that client's risk/reward appetite and desired quantum of investment.

Argenta's team of analysts has extensive market experience and reviews all aspects of the Lloyd's insurance business. There are currently 29 syndicates available for support by Argenta clients. These syndicates are diverse in their areas of expertise and the nature of insurance risk that they elect to underwrite. The research procedures, which ultimately determine the weighting that any particular syndicate has in a portfolio, are focused on a detailed review of each syndicate. The review will cover all aspects of each syndicate's operations and, in its evaluation, Argenta will attach particular importance to the following:

- The professionalism, financial standing, past record, competitive strategy and ownership of the syndicate's managing agency
- The active underwriter, the deputy underwriters and supporting staff - their training, experience, qualifications, track record and involvement in Lloyd's and the syndicate. In addition, succession provisions and delegation of underwriting responsibility will be evaluated

- The nature of the account written and the syndicate's ability to access quality business
- Reinsurance protection purchased and its impact upon the syndicate's volatility and profitability
- Potential profitability by class of business written and the extent of dependency on any one class or source
- Market Intelligence

Having selected a suitable portfolio, the combined syndicate allocations are reviewed in Argenta's proprietary portfolio analysis software and the output is discussed with the client. During this process, each syndicate is deconstructed into its component risk elements and a client's aggregate exposure to each class of business is carefully assessed.

The Research Team posts regular syndicate news items on the company website (with notification by email alert when new information is available) and publishes quarterly newsletters to keep clients apprised of Market developments. Detailed Syndicate profiles are produced annually, analysing all aspects of the syndicates' business.



Since the introduction of limited liability underwriting vehicles to Lloyd's in 1994, Argenta has been at the forefront of developing new ideas for participation in the Lloyd's Market.

New product development

In a marketplace like Lloyd's, those who stand still on the sidelines rarely prosper. We believe that in order to provide the most comprehensive service to our clients, it is critical to develop an innovative range of investment vehicles to suit diverse personal circumstances.

Since the introduction of limited liability underwriting vehicles to Lloyd's in 1994, Argenta has been at the forefront of developing new ideas for participation in the Lloyd's Market. We have had senior staff representing Argenta on almost all key committees at Lloyd's, ensuring that our clients are well represented at the formative stages of new Lloyd's developments.

In recent times Argenta directors have been leading the drive to develop Limited Liability Partnerships (LLPs) and more than two years of legal, accounting, taxation and regulatory debate has now been rewarded with the admission of LLPs as corporate members of Lloyd's from the 2007 Account.

Argenta has an extended scope of FSA permissions to complement those required to advise on Lloyd's syndicate participations and we are able to offer advice on a range of designated investment activities. This enhances our ability to deliver new insurance investment products to our clients and interact efficiently with the mainstream investment community.

Limited Liability Partnerships

LLPs are new for 2007

Tax transparent

Pensionable earnings

Retained underwriting decision-making

Scottish Limited Partnerships

Tax transparent

Simplified accounting requirements

Delegated underwriting decision-making

NameCos

Familiar UK limited company structure

Profits subject to corporation tax

Profits typically paid out via dividends or salary

Scottish Limited Partnerships (SLPs)

SLPs have been trading as members of Lloyd's since 1997. They are partnerships under the Limited Partnership Act 1907, governed by Scottish Law.

In order to join a SLP, investors will enter into a Partnership Agreement as Limited Partners with a General Partner. The General Partner controls the management of the SLP, including making decisions as to underwriting policy, although Syndicate recommendations will be made to the General Partner by Argenta in conjunction with the Limited Partner.

There are five major distinctions between a SLP and a LLP. In order to preserve the SLP's limited liability, the final decision relating to underwriting must remain with the General Partner. Profits arising out of a SLP are not eligible to be paid into a personal pension scheme. Any business borrowings on the part of the partner are not eligible for interest relief, whereas they are for a member of a LLP. Whilst SLPs have simplified accounting requirements, LLPs have an obligation to file Schedule 9A accounts in accordance with the Companies Act 1985. There is also no liability to UK National Insurance contributions in respect of income derived from a SLP.

NameCos

NameCos are typically UK registered private limited liability companies trading as corporate members of Lloyd's. These can be formed for a single individual or for larger groups of connected investors. A NameCo is subject to UK corporation tax on any profits and possibly as a result of relatively low levels of corporation tax in the UK, is the structure favoured by many non-UK resident investors.

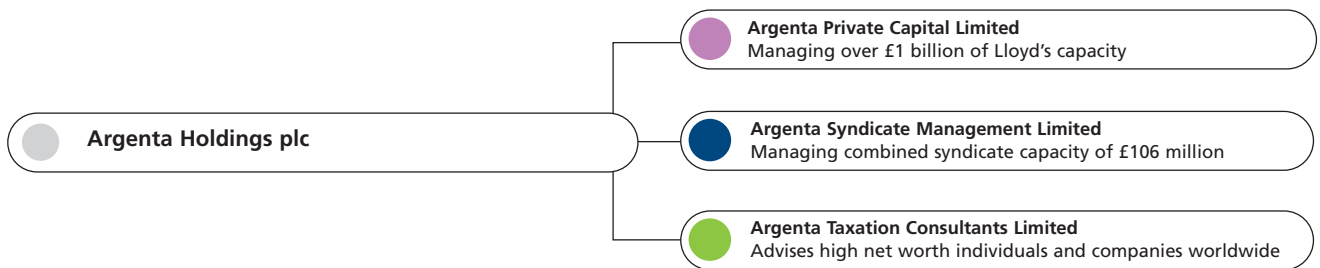
NameCos have been the most popular form of limited liability vehicle at Lloyd's due to the flexibility of their structure and the ability for them to be incorporated within existing corporate groups.

Other benefits include straightforward means of transferring ownership either between family members or through a wider disposal of shares.

Argenta offers NameCo owners a range of ancillary services, including all accounting and company secretarial functions.

Other Argenta businesses

Argenta Holdings plc is an unquoted public company with diversified Lloyd's interests. In addition to Argenta Private Capital Limited the company has two further trading subsidiaries.



Argenta Syndicate Management

Argenta Syndicate Management Limited ("ASML") was created in 1999 to launch non-marine Syndicate 2121 for Lloyd's 2000 underwriting account. The syndicate began trading with capacity to accept premiums of £31 million and has steadily grown to its current 2006 capacity of £90 million.

In 2004, ASML was approached by investors to assist with the launch of Lloyd's first Singapore-based specialist marine Syndicate 1965 and continues to act as a Lloyd's Managing Agent to the Syndicate.

The creation of the Singapore-based underwriting operation has been a springboard for other similar structures and, in addition to ASML's ability to act as the Managing Agent, Argenta has been instrumental in providing strategic advice to participants in a range of other ventures.

Argenta Taxation Consultants Limited

For over 25 years, Argenta Taxation Consultants Limited ("ATCL") has been offering a full range of tax compliance and planning services to individual and corporate clients.

The Company has an unrivalled reputation for strong technical expertise in all areas of taxation with experienced staff from the accounting profession, the Inland Revenue and commerce. The ATCL team are trusted experts in the areas of self assessment, capital gains tax mitigation and inheritance tax planning.

There are strong synergies between ATCL and Argenta due to the necessity for detailed tax planning when structuring Lloyd's investment vehicles for both UK and overseas resident clients.

Having a dedicated team of tax consultants "in-house" gives Argenta a valuable resource to call upon when advising High Net Worth individuals on the correct way to structure their Lloyd's affairs with maximum tax efficiency.

Our company has thrived because of the quality of its personnel. Each staff member genuinely believes that the work they do can make a long-term difference to our clients' success.



Andrew Annandale
Managing Director



Trevor Bird
Client Services Director



Jeremy Bray
Director of Research



Chris Fairs
Compliance Director



Robert Flach
Technical Director



Guy Hudson
Client Director



James Mackay
New Business Director



David Monksfield
Client Director



David Robson
Client Director



Alan Tucker
Client Director



Marcus Warner
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If you wish to explore Lloyd's investment opportunities in more detail, please contact either Andrew Annandale or James Mackay.

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Argenta Private Capital Limited is authorised and regulated by the Financial Services Authority.

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Documents





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