



Argenta Private Capital Limited



Special Bulletin

Corporate Members for Sale

September 2011

(These services are not offered publicly to United States persons or in the United States, nor are they offered publicly in any other jurisdiction where such offers are unlawful).

From time to time our clients notify us of their desire to sell their entire interests in corporate members. As at the time of publication of this Bulletin, we have received notice that the representatives / proprietors of the following NameCos wish to sell their companies:-

Type	PIL Entitlement for 2011	Weighted average auction values (adjusted for de/pre-emptions) (Note 4)	Estimated Cash Flow (Note 1)		Net Funds at Lloyd's required (Note 2)	Humphrey Valuation (Note 3)
			Best Case	Worst Case		
NameCo A	£2,127,492	£532,480	£141,020	(£153,572)	£1,374,785	£577,989
NameCo B	£346,738	£143,577	£39,730	(£10,810)	£152,355	£230,234

Notes:

- These amounts comprises a best and worst case cash estimate, based upon the latest syndicate quarterly forecasts (as at 30th June 2011), for the 2009 and 2010 years of account. No account has been taken of any profit or loss allowance for the 2011 account (which may be material).

It cannot be assumed that the estimated future distribution amount will ultimately be releasable as the final calculation will be subject to Lloyd's Release Test rules.

No account has been taken of the following items, none of which are expected to be significant:

- miscellaneous managing agents' personal expenses;
- interest on late payment of cash calls; and
- other miscellaneous amounts.

No account has been taken of any future movement in open years of account results.

As results will be reported in both Sterling and US Dollars, they may be subject to exchange rate fluctuations. The US Dollar exchange rate used is \$1.58:£1 and the split of currencies will depend on the make-up of the underwriting portfolio. However, given that around 70% of Lloyd's business is conducted in US Dollars, one might expect that, with an "average" portfolio, any surplus might be in a similar proportion.

Double taxation relief may be available in respect of Overseas Taxes.

2. The amount shown as *Net Funds at Lloyd's required* is based upon the Coming-into-Line (CIL) calculation for 2012. The Proprietor of NameCo A is taking steps to reduce the capacity of the NameCo in order to meet its CIL requirement, which is currently showing an anticipated shortfall of £340,000.
3. Humphrey & Co Chartered Accountants have prepared a valuation with an aim to provide an estimated net asset value of the company. The valuation is apportioned between the shares in the company and, if applicable, any outstanding loan account, including a provision for estimated tax liabilities.
4. The Capacity is valued at the weighted average auction price achieved in the 2010 auctions. The 2011 auctions are now underway and the value of the Capacity could change materially during the auction period (13th September – 5th October 2011).

If you would like to register your interest in the purchase of either of these companies and receive a copy of the Humphrey & Co valuation, please contact one of the following appropriately FSA authorised staff at Argenta:

Jeremy Bray	020 7825 7174
jeremy.bray@argentapl.com	
Andrew Colcomb	020 7825 7176
andrew.colcomb@argentapl.com	
Guy Hudson	020 7825 7241
guy.hudson@argentapl.com	
James Mackay	020 7825 7288
james.mackay@argentapl.com	
David Monksfield	020 7825 7139
david.monksfield@argentapl.com	

Please note that the vendors concerned have requested that, for the purposes of a sealed bid auction (which will be subject to a reserve price), offers are submitted by no later than close of business on Friday, 23rd September.

In their capacities as the Client Directors responsible for advising the clients on their underwriting affairs, Mr David Monksfield and Mr Guy Hudson are interested in the sale of NameCos A and B respectively.

In addition, any party registering an interest which does not already have Lloyd's approval to act as a controller of an existing corporate member will be required to satisfactorily complete a 'fitness and propriety' questionnaire before their bid may be considered for acceptance.

Conflicts of Interest

When Argenta facilitates transactions in investments for clients, Argenta or an associate of Argenta or some other person connected with it may have an interest, relationship or arrangement that is material. Without limiting the nature of such interests, examples include where Argenta or an associate of Argenta could be:-

- a. arranging a transaction between you and one of Argenta's other clients;
- b. advising or providing other services to other clients who may have interests in investments or underlying assets which conflict with your own; or
- c. advising you to make an investment in relation to which Argenta will or may receive a fee from a third party if you make the investment.

Publicity

Notice of the availability of these corporate members has also been posted on the News section of Argenta's website at www.argentapl.com/argentapc.

