

Timely NAV reporting for Lloyd's syndicates



- Robust and independent valuation of illiquid participation in portfolios of Lloyd's syndicates to aid reporting obligations
- Provides transparency and accuracy in fund valuation supporting clients in meeting regulatory standards
- Comprehensive valuation service to empower fund managers and investors with accurate data, facilitating informed decision-making

Why it matters

The challenge

Hedge funds and managed funds that specialise in insurance-linked investing are increasingly seeing that participation on Lloyd's syndicates can give access to a spread of risks unavailable elsewhere. However, this illiquid participation can make valuation and performance tracking more difficult.

As a result, it can be more difficult for these funds to provide a robust level of transparency when reporting the NAV of their holdings.

ICMR can provide an independent estimate of NAV of participation on a portfolio of Lloyd's syndicates, allowing funds to improve the quality of their reporting.

Regulatory Compliance

Meeting Fund Guidelines: Many regulations, particularly for public or open-ended funds holding less liquid assets, mandate regular NAV calculations, often monthly or quarterly.

Accurate Fee Calculation:

Performance-based fees for fund managers are often calculated based on NAV, making regular valuations necessary for fair and accurate fee assessment.

ICMR's approach

- Lloyd's only publishes full financial statements on an annual basis with a half year update and syndicates only report on a quarterly basis - by the time the information is released it is often already 6 weeks out of date
- ICMR has developed a methodology that smooths the transition between syndicates' business forecasts (SBF) and subsequent quarterly monitoring returns (QMR)
- This combines with public information on major events to calculate NAV valuations
- ICMR reports gives insights into the changes of the NAV from an underwriting and investment perspective and can be issued on the last business day of the required period

About ICMR

Insurance Capital Markets Research (ICMR) provides quantitative research on the global specialty (re)insurance industry.

ICMR was established in early 2020 and launched the RISX equity Index in 2021 as a benchmark for investments in Lloyd's.

Its founders, Markus Gesmann and Quentin Moore, were Lloyd's former heads of analysis and research who also worked together in the capital markets and insurance-linked securities.



Markus Gesmann



Quentin Moore

<https://insuracecapitalmarkets.com>

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