

Carlisle Management deploys life settlement fund at above target returns

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Carlisle Management Company, a Luxembourg headquartered global alternatives investment firm, has announced the successful deployment of its life settlements fund at above target returns.

Carlisle Management is focused on the life settlements area of the insurance-linked securities (ILS) market and its funds are backed by institutional clients including pension funds and family offices.

The company has had a focus on origination of life ILS opportunities, working with partners to access the high-value life insurance policies it requires for its investment funds, which will have assisted in the deployment of its newest fund.



The investment manager said that its Luxembourg domiciled life insurance settlements investment fund the Absolute Return Fund I FCP SIF was fully deployed within 12 months.

The deployment of the funds raised was in line with Carlisle's expectations, it said, with the fund now including several hundreds of life insurance policies, which are diversified across factors including but not limited to face value, insurance carrier, age, mortality profile, rating and gender.

Carlisle said that the gross expected returns of the portfolio exceeded the investment managers original targets, which it hopes will enable it to deliver robust returns to investors.

The company said the deployment is evidence of "Carlisle's unprecedented position in the industry."

With its diversified network of life policy origination partners helping to secure its access to the tertiary market, noting that it has also accessed opportunities that are not always available to other market participants.

The life settlements fund has limited liquidity risks due to its closed end structure, Carlisle said.

“We expect that our Absolute Return Funds will continue performing with near zero correlation to financial markets and begin to provide liquidity back to the investors as originally projected,” the investment manager said.

Carlisle also executed a drawdown on a newly established leverage facility, provided by a well-known private lender, to be used as a premium facility to help reduce cash drag and amplify the return of the fund.

“As we continue to deploy capital for our Absolute Return Funds, we put our emphasis on a proactive strategy, reinforcing existing market relationships and building new ones,” explained Jose Garcia, CEO of Carlisle Management Company. “At the same time, we may be presented with a unique opportunity of buying Life Settlements at discounted prices due to the current economic environment, which would further enhance returns to our investors. Carlisle believes that Life Settlements will have a limited impact from the current economic downturn, as it is a long-term investment strategy with limited correlation, and will outperform relative to traditional financial markets during these uncertain times.”

“Investors in today’s uncertain economic environment are seeing the benefit of life settlements and are realizing that their fundamentals remain unchanged,” added Oleksandra Polishchuk, Carlisle’s Chief Marketing Officer.

Carlisle believes that its investors are willing to bear some illiquidity, in return for what it sees as “the robust and uncorrelated qualities of life settlements” which make this niche of the life ILS asset class a “unique diversification tool in times of market fluctuation.”

That’s particularly relevant right now given the global market volatility seen as a result of the [Covid-19 coronavirus pandemic](#).

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